

COLLETTS TRAVEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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DIRECTORS AND OTHER INFORMATION

Directors	J D O'Hara G Rizzi J Oshiokpekhai A Taiwo H Daras
Company number	01714349
Registered office	79 Brent Street London NW4 2EA
Auditor	Elman Wall Limited Statutory Auditor & Chartered Accountants 8th Floor, Becket House 36 Old Jewry London EC2R 8DD
Banker	Barclays Business Banking 1 Churchill Place London E14 5HP

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present their annual report for Colletts Travel Limited ("the Company") for the year ended 31 December 2020.

The principal activity of the company during the year continued to be as a 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. 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 continues 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) Business continuity under Covid-19 - To both protect the health of our employees and ensure business continuity, the vast majority of our staff globally have been working from home since March 2020. They are properly equipped with technology needed to work effectively and we have provided the with up-to-date health and safety guidance.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	2020	2019
	£	£
Turnover	7,517,428	43,441,641
Gross profit	555,745	4,125,586
Cash funds	2,757,520	2,713,496

Travel regulatory bodies

The Company holds an IATA and ATOL licence and is a member of ABTA to protect its customers.

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..... and signed on its behalf 23 June 2021.

.....
A Taiwo
Director

79 Brent Street

Hendon

London

NW4 2EA

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company during the year continued to be that of tour operators.

Results and dividends

The loss for the year, after taxation, amounted to £892,121 (2019 - profit £171,631).

The directors do not recommend payment of a dividend (2019: £0).

Directors

The directors who served during the year were:

J D O'Hara (appointed 9 January 2020)
J Oshiokpekhai
A Taiwo
N Chacko (resigned 9 January 2020)

Political contributions

The company did not make any disclosable political donations in the current period (2019: 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

Despite the tremendous impact that COVID pandemic has had on the travel industry, the directors remain confident of the Group's ability to run a viable business focused on fiscal discipline and targeted investments within the business with the goal of increasing market share.

Management consistently evaluates new opportunities for strategic growth, to ensure positive impact in the following year's results.

The impact of COVID 19 will severely impact the performance of the group at least through the first half of 2021 with recovery expected to begin in the second half of the year. This is dependent on the UK Government providing clarity and a timeline for leisure and business travel to resume.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

The impact of COVID-19 will severely impact the performance of the company at least through 2021 and possibly into 2022, 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.

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.

Auditors

Elman Wall Limited were appointed as auditors during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the on 23 June 2021 and signed on its behalf.

.....
A Taiwo

Director

79 Brent Street
London
NW4 2EA

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the company's ability to continue as a going concern. Whilst the Company reported a loss for the year ended 31 December 2020, as of that date, the company's current assets exceeded its current liabilities. We draw your attention to Note 2.2.

The financial statements do not include any adjustments that would result from a failure to continue as a going concern.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, except for the comments made in Note 2.2 and the uncertainty created by the coronavirus pandemic, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the

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

financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, 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 MEMBERS OF COLLETTS TRAVEL LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Owing to the inherent limitations of an audit there is unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. In addition as with any audit there remained a higher risk of non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Yasin Khandwalla (Senior Statutory Auditor)

for and on behalf of

Elman Wall Limited

Statutory Auditor

Chartered Accountants

8th Floor, Becket House

36 Old Jewry

London

EC2R 8DD

23 June 2021

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	7,517,428	43,441,641
Cost of sales		(6,961,683)	(39,316,055)
Gross profit		555,745	4,125,586
Administrative expenses		(2,068,083)	(3,805,870)
Other operating income		356,943	-
Operating (loss)/profit	5	(1,155,395)	319,716
Interest receivable and similar income	9	11,140	230
Interest payable and similar expenses	10	-	(51,894)
(Loss)/profit before tax		(1,144,255)	268,052
Tax on (loss)/profit	11	252,134	(96,421)
(Loss)/profit for the financial year		(892,121)	171,631

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 14 to 27 form part of these financial statements.

All activities are from continuing operations.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	58,461	63,713
		<u>58,461</u>	<u>63,713</u>
Current assets			
Debtors: amounts falling due within one year	13	9,021,663	7,417,573
Cash at bank and in hand	14	2,757,520	2,713,496
		<u>11,779,183</u>	<u>10,131,069</u>
Creditors: amounts falling due within one year	15	(3,700,237)	(1,620,410)
Net current assets		<u>8,078,946</u>	<u>8,510,659</u>
Total assets less current liabilities		<u>8,137,407</u>	<u>8,574,372</u>
Creditors: amounts falling due after more than one year	16	(460,477)	-
Provisions for liabilities			
Deferred tax	17	-	(5,321)
		<u>-</u>	<u>(5,321)</u>
Net assets		<u><u>7,676,930</u></u>	<u><u>8,569,051</u></u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Share premium account	19	25,000	25,000
Profit and loss account	19	7,551,930	8,444,051
		<u><u>7,676,930</u></u>	<u><u>8,569,051</u></u>

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

.....
A Taiwo

Director

Date: 23 June 2021

The notes on pages 14 to 27 form part of these financial statements.

Company Registered number 01714349

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	100,000	25,000	8,272,420	8,397,420
Comprehensive income for the year				
Profit for the year	-	-	171,631	171,631
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	171,631	171,631
Total transactions with owners	-	-	-	-
At 31 December 2019	100,000	25,000	8,444,051	8,569,051
Comprehensive income for the year				
Loss for the year	-	-	(892,121)	(892,121)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(892,121)	(892,121)
Total transactions with owners	-	-	-	-
At 31 December 2020	100,000	25,000	7,551,930	7,676,930

The notes on pages 14 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020 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, Global Travel Collection UK, Ltd, included the Company in its consolidated financial statements. The consolidated financial statements of Global Travel Collection UK, Ltd 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 Global Travel Collection UK, Ltd 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Due to the Covid-19 pandemic business was interrupted from March 2020. As at the date of approval of these financial statements, the impact of Covid-19 on the Company trading continues to be assessed and is subject to rapidly changing external factors, including Government responses to controlling the spread of the virus. We have taken steps to reduce outgoings by controlling overhead expenses and utilising government support across the group in the form of various grants.

The company is a wholly owned subsidiary of Global Travel Collection UK, Ltd. The Company's business activities, together with the factors likely to affect its future trading performance, are set out in the Strategic report.

At the year end, the Company had net assets of £7.7m and net current assets of £8.1m. The Company manages its day to day and medium-term funding requirements through cash balances and support from the parent company.

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 a cash flow forecast for a period of 12 months from the date of approval of these financial statements. The forecasts assumes a relatively low level of recovery through the remainder of 2021.

These forecasts are dependent on Global Travel Collection UK, Ltd the Company's parent undertaking providing additional financial support during that period. Global Travel Collection UK, Ltd has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts.

Based on these indications the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

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 Revenue

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.

Turnover represents amounts earned during the year from tour operating activities and other income in accordance with contractual arrangements, exclusive of Value Added Tax.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants receivable are presented as part of the profit or loss in the periods in which the expenditure is recognised.

During the year the Company benefitted from taking advantage of government support, in the form of the Coronavirus Job Retention Scheme (CJRS).

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 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.

2.11 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:

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 profit or loss.

2.12 Advance receipts and payments

All revenue relating to tours with departure dates after the year end are treated as advance receipts at the balance sheet date and are separately disclosed under accrual and deferred income.

Payments made to suppliers in respect of these tours are included in prepayments.

2.13 Leasing

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.14 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.

2.15 Cash and cash equivalents

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

2.16 Creditors

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.

2.17 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 as tour operators.

4. Other operating income

	2020	2019
	£	£
Government grants receivable	356,943	-
	<u>356,943</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Operating (loss)/profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	37,693	25,808
Profit on foreign currencies	(30,800)	(31,026)
Operating lease rentals - Land & buildings	<u>56,657</u>	<u>119,398</u>

6. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>37,600</u>	<u>41,400</u>

7. Employees

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

	2020	2019
	£	£
Wages and salaries	1,438,360	1,889,382
Social security costs	144,282	233,891
Cost of defined contribution scheme	29,659	50,450
	<u>1,612,301</u>	<u>2,173,723</u>

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

	2020	2019
	No.	No.
Sales agents	26	34
Administration	12	12
	<u>38</u>	<u>46</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Directors' remuneration

	2020	<i>2019</i>
	£	<i>£</i>
Directors' emoluments	-	87,500
	<hr/>	<hr/>
	-	<i>87,500</i>
	<hr/> <hr/>	<hr/> <hr/>

The remuneration of the highest paid director was £Nil (2019: £43,750).

9. Interest receivable and similar income

	2020	<i>2019</i>
	£	<i>£</i>
Interest receivable from group companies	10,369	-
Bank and other interest receivable	771	230
	<hr/>	<hr/>
	11,140	<i>230</i>
	<hr/> <hr/>	<hr/> <hr/>

10. Interest payable and similar expenses

	2020	<i>2019</i>
	£	<i>£</i>
Bank interest payable	-	495
Loan interest payable	-	51,399
	<hr/>	<hr/>
	-	<i>51,894</i>
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	57,731
Adjustments in respect of previous periods	(44,131)	42,934
	<u>(44,131)</u>	<u>100,665</u>
Total current tax	<u>(44,131)</u>	<u>100,665</u>
Deferred tax		
Origination and reversal of timing differences	(208,003)	(4,244)
Total deferred tax	<u>(208,003)</u>	<u>(4,244)</u>
Taxation on (loss)/profit on ordinary activities	<u>(252,134)</u>	<u>96,421</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(1,144,255)</u>	<u>268,052</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(217,408)	50,930
Effects of:		
Expenses not deductible for tax purposes	3,495	6,607
Capital allowances for year in excess of depreciation	(265)	194
Adjustments to tax charge in respect of prior periods	(44,131)	42,934
Adjustment to deferred tax	6,175	(4,244)
Total tax charge for the year	<u>(252,134)</u>	<u>96,421</u>

Factors that may affect future tax charges

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation (continued)

The standard main rate of Corporation Tax in the UK is 19% for the financial year beginning 1 April 2020. This maintains the rate at 19% rather than reducing it to 17% from 1 April 2020. The charge to Corporation Tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021. The deferred tax liability as at 31 December 2020 has been calculated based on the rate of 19% representing the applicable long-term rate.

12. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2020	139,294	242,355	381,649
Additions	-	32,441	32,441
	<hr/>	<hr/>	<hr/>
At 31 December 2020	139,294	274,796	414,090
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2020	85,442	232,494	317,936
Charge for the year on owned assets	15,473	22,220	37,693
	<hr/>	<hr/>	<hr/>
At 31 December 2020	100,915	254,714	355,629
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2020	<u>38,379</u>	<u>20,082</u>	<u>58,461</u>
At 31 December 2019	<u>53,852</u>	<u>9,861</u>	<u>63,713</u>

13. Debtors

	2020 £	2019 £
Trade debtors	2,637,532	1,508,980
Amounts owed by group undertakings	5,520,914	5,328,617
Other debtors	450,576	280,184
Prepayments and accrued income	209,959	299,792
Deferred taxation (note 17)	202,682	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Debtors (continued)

<u>9,021,663</u>	<u>7,417,573</u>
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Other debtors include restricted cash amounting to £259,987 (2019: £206,750). Included in prepayments are advance supplier payments for future departures amounting to £122,322 (2019: £nil).

14. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	2,757,520	2,713,496
	<u>2,757,520</u>	<u>2,713,496</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,424,757	953,792
Amounts owed to group undertakings	1,749	59,548
Corporation tax	-	5,533
Other taxation and social security	25,530	19,362
Other creditors	835,613	298,044
Accruals and deferred income	412,588	284,131
	<u>3,700,237</u>	<u>1,620,410</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £	2019 £
Other creditors	460,477	-
	<u>460,477</u>	<u>-</u>

Other creditors are made up of advance receipts from customers in relation to future departures (2019: £nil)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Deferred taxation

	2020 £	2019 £
At beginning of year	(5,321)	(9,565)
Credited/(charged) to profit or loss	208,003	4,244
At end of year	<u>202,682</u>	<u>(5,321)</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(10,321)	(5,321)
Tax losses	213,003	-
	<u>202,682</u>	<u>(5,321)</u>

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100,000 (2019 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

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.

19. 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 £7,551,930 (2019: £8,444,051).

20. Contingent liabilities

The company's bankers have a charge of £259,987 on cash deposits as security for bonding in favour of the Association Of British Travel Agents (ABTA) (2019 £206,750).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Capital commitments

The company had no material capital commitments at the period ended 31 December 2020 (2019: Nil).

22. 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 £29,659 (2019: £50,450).

23. Operating lease commitments

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	120,700	120,700
Later than 1 year and not later than 5 years	368,000	368,000
Later than 5 years	675,000	750,000
	<u>1,163,700</u>	<u>1,238,700</u>

24. 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 2020, 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 (2019 - £38,538) paid to the above in respect of rent. The schemes were set up for the benefit of the directors and their dependents.

The following balances were outstanding with group companies at the balance sheet date:

	2020 £	2019 £
Protravel International LLC	15,908	(4,463)
Global Travel Collection UK, Ltd	5,505,006	5,328,617
Internova Travel Group LLC	(1,749)	(55,085)
	<u>5,519,165</u>	<u>5,269,069</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

25. Post balance sheet events

The effect of the Covid-19 pandemic continues to be felt after the year end. We have assessed the operational and financial impact on the group in the strategic report of the parent company and continue to take measures to monitor and mitigate the effect of Covid-19. We also refer to the future developments of the Company in the strategic report.

After the year end prepaid supplier costs amounting to £102,329 were refunded to the business and £153,311 of advance receipts were refunded to its customers by the business.

Depending on the duration of the pandemic and continued negative impact on economic activity, the group might experience further negative results. We also refer to note 2.2 on Going concern.

The directors have concluded that no other material events have occurred since the date of approval of these financial statements that would affect the financial statements of the Company.

26. Parent and ultimate parent company

The company regards Global Travel Collection UK, Ltd (formerly known as 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.

27. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.