

# **Kirker Travel Limited**

**Annual Report and Financial Statements**

**Year Ended**

**31 December 2021**

**Company Number 01985696**

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# Kirker Travel Limited

## Company Information

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Directors	D Jones F Torrillá
Company secretary	K M Wallis
Registered number	01985696
Registered office	4 Waterloo Court 10 Theed Street London SE1 8ST
Independent auditor	KPMG LLP 1 Forest Gate Brighton Rd Crawley RH11 9PT

# **Kirker Travel Limited**

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# Kirker Travel Limited

## Strategic Report For the Year Ended 31 December 2021

The directors present their report and financial statements for the year ended 31 December 2021.

### Business activity and objectives

The Company's principal activity is that of a tour operator and its objective is to provide a first class delivery of a wide portfolio of holiday packages primarily in Europe but with other locations worldwide.

The Company is part of the DER Touristik UK Limited Group ('the Group').

### Business review, key performance indicators and future developments

The main key performance indicators used in managing the performance of the Company include revenues and margin. These are monitored on a weekly basis for each product against prior year actuals and the current year budget.

	2021 £	2020 £
Revenue	3,521,254	3,475,907
Gross profit margin	29.7%	25.7%

The COVID-19 pandemic continued to have a significant impact on sales throughout 2021. Many bookings postponed from 2020 to 2021 were successfully postponed again, first to later in 2021, and subsequently to 2022 as the sales team worked hard to persuade customers not to cancel. Whilst marketing opportunities were limited, travel corridors were monitored closely and some new sales were generated for customers seeking to travel. The company's flexible approach enhanced its reputation, and it is in a strong position for when travel becomes a viable option for customers. Kirker's most popular destinations were Spain and Portugal – where visitors were welcomed and subjected to less restrictive entry requirements and we achieved some successful sales during the months when travel was permitted.

The Company's turnover was £3.5m for the year – the same as was achieved in 2020. At the reporting date, the Company's net current assets were £9.4m (2020: £10.2m) and net assets were £8.6m (2020: £10.1m).

The Company will continue to monitor destination trends and develop its sales and marketing strategy accordingly.

# Kirker Travel Limited

## Strategic Report (continued) For the Year Ended 31 December 2021

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### Coronavirus Impact

The directors are continuing to monitor the impact of the Coronavirus pandemic closely.

The recovery is multi-faceted, with UK outbound "Coronavirus" travel restrictions now entirely removed, it is the destination restrictions, consumer confidence and behaviour, combined with operational capacity and challenges that are setting the turnover trends.

It is the directors view that that almost normal conditions for the travel market will not resume until 2023, with pre-pandemic turnover levels not expected back until 2024.

It remains difficult to fully quantify the longer-term financial impact of the outbreak, but it will undoubtedly continue to have an impact on the Group's financial performance and position in 2022, although there is a clear, and very achievable target to return to profitability.

The Group remains well placed financially, benefiting from the backing of its ultimate parent, REWE ZentralFinanz EG, and having recently received a capital injection, remains positive that we will enter the post-pandemic era stronger than ever.

### Ukraine and Russia conflict

The invasion into Ukraine by Russia is a situation the directors also continue to monitor as a potential impact to 2022 performance.

The Company has no direct business into these destinations and the loss of these destinations is therefore not expected to have a material impact on the performance of the Company.

In terms of a wider impact to confidence to travel, initially the significant press generated short-term reduction in demand but following this, bookings have been largely unaffected, with consumers still very keen to push on with their holiday plans for 2022.

### Principal risks and uncertainties

The current COVID-19 pandemic has highlighted the impact a global health emergency can have on the business. While the current outbreak is significantly more far reaching than the geographically localised Sars and Ebola outbreaks in previous years it has demonstrated the reliance the business places on the wider global health situation and the impact this has on the ability for movement of tourists around the world. The business can respond to localised outbreaks by re-directing customers however any further global pandemics would continue to have a significant impact on the ability of the business to trade effectively.

Outside of the significant risk relating to COVID-19, a corporate policy for managing risks is followed which involves regular disclosure covering all aspects of the business, including safety, environmental, legal, financial and employees. Any material risks are evaluated and disclosed as they arise, and these are tracked and monitored until the risk is mitigated. The Company operates in a favourable liquidity position, whereby all cash is received prior to related costs being settled. Furthermore, the Company does not bear much credit risk as debts are settled pre-departure.

The decision to exit the European Union has led to some unknowns. In the short term there may be some impact to the business as customers adjust their spending patterns and in the longer term it may be affected by the outcome of the free-movement agreements reached during negotiations with the EU. However, we do not expect there to be a visa requirement implemented for travel across Europe, and even if there was, visas are not the hard stop for leisure travellers who can plan in advance as the many destinations that we currently feature with visa requirements have proven.

# **Kirker Travel Limited**

## **Strategic Report (continued) For the Year Ended 31 December 2021**

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### **Principal risks and uncertainties (continued)**

Geographic and political risks are mitigated where possible by having a wide and diverse range of destinations. The Company works to Group guidelines in hedging exposure to currency to ensure the risk of adverse currency fluctuations is at a minimum.

With the UK chairing the COP26 UN climate change conference in November 2021, and targets for reaching NetZero in place, there is a risk that customers appetite for international travel subsides in acknowledgment of the impact that flying has on the environment. With flying being a key component of the Company's package this is a difficult risk to remedy but the Company does offer accommodation only services, whilst it also supports group wide initiatives designed to monitor and improve its impact on the environment including the streamlined energy and carbon reporting (SECR).

This report was approved by the board on 30 June 2022 and signed on its behalf.



**F Torrilla**  
Director

# Kirker Travel Limited

## Directors' Report For the Year Ended 31 December 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

### Results and dividends

The loss for the year, after taxation, amounted to £1,415,378 (2020: £1,495,976).

The directors do not recommend payment of a dividend (2020: £Nil).

### Going concern

As at 31 December 2021 the Company's balance sheet is in a strong position. The Company has net current assets of £9,398,042 and net assets of £8,638,583. Despite being impacted by the COVID-19 pandemic the Company is in an enviable cash position with cash in the bank of £363,721 as well as further cash on deposit with a fellow Group Company REWE International Finance B.V of £12,153,465.

The directors have prepared cash flow forecasts for the period up to 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the ongoing impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds, through in downside cases funding from its ultimate parent company, REWE ZentralFinanz EG, to meet its liabilities as they fall due for the period.

Those forecasts are dependent on REWE ZentralFinanz EG continuing to make available such funds as are needed by the Company, and that it does not intend to seek repayment of any amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

In addition to the strength of the Company as a stand-alone vehicle, the Company also benefits from the support of its intermediate parent company, Der Touristik Group GmbH, who have provided an undertaking that for at least 12 months from the date of approval of these financial statements, if required, it will provide financial support to ensure that the Company is able to meet its current and future obligations.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Directors

The directors who served during the year were:

D Jones  
F Torilla

### Future developments

Please refer to the Strategic Report business review for an overview on the future developments of the Company.

# Kirker Travel Limited

## Directors' Report (continued) For the Year Ended 31 December 2021

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### Financial risk management

#### *Currency risk*

The functional currency of the Company is Sterling however the Company undertakes transactions in a number of currencies, principally Euros, US Dollars and South African Rand. The Company's objective is to minimise the risk associated with foreign currencies and does so through the use of hedging through the medium of forward rate contracts. Within the Group structure there is a currency committee who meet to evaluate foreign exchange and currency risk regularly and are best placed to mitigate this risk across the Group.

#### *Price risk*

The Company has no equity investments, other than its investment in a Group subsidiary, and therefore has no exposure to price risk.

#### *Credit risk*

The Company's principal financial assets are trading cash and deposits held in a Group Cash Reserve. The Company minimises credit risk by ensuring that customer bookings are paid for in advance of departure. In the event of a customer default the Company is able to cancel bookings at minimal/zero cost with airlines and hoteliers. The Company is also protected through ABTA and has suitable insurance policies in place in the event that a travel agent with credit terms failed to meet its liabilities as they fall due.

All cash is held by banks with high credit ratings assigned by international credit rating agencies.

#### *Liquidity risk*

The directors and management consider liquidity risk to be low. The Company has no external financing facilities and has appropriate cash reserves to meet its liabilities as they fall due. The Group also has the support of its ultimate parent REWE ZentralFinanz eG. The Group manages its available liquid resources through a Group cash pool arrangement with a fellow group company REWE International Finance B.V.

### Employee involvement

The Company is an equal opportunities employer and all applications are treated on merit, regardless of sex, disability, religious belief, marital status, colour, race or ethnic origins. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Company continues and that appropriate training is arranged. The training, career development and promotion of disabled persons are, as far as possible, consistent with that of other employees.

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through regular staff involvement in departmental meetings and also through the medium of internal communications through the Company's internal PR team.

### Existence of branches outside of the UK

The Company does not have any branches outside the UK as defined by section 1046(3) of the Companies Act 2006.

### Qualifying third party indemnity provisions

The Group has qualifying third party indemnity provisions in place for two statutory directors during the year and at the date of approval of the Directors' Report.



# **Kirker Travel Limited**

## **Directors' Report (continued) For the Year Ended 31 December 2021**

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### **Research and development activities**

The Company did not undertake any research and development expenditure in the year.

### **Statement of disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

### **Independent auditor**

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 June 2022 and signed on its behalf.



**F Torrilla**  
Director

# Kirker Travel Limited

## Directors' Responsibilities Statement For the Year Ended 31 December 2021

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The directors are responsible for preparing the Annual Report and 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Auditor's Report to the members of Kirker Travel Limited**

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### **Opinion**

We have audited the financial statements of Kirker Travel Limited ("the Company") for the year ended 31 December 2021 which comprises the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 "Reduced Disclosure Framework"; 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 requirement including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## **Independent Auditor's Report to the members of Kirker Travel Limited (continued)**

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### **Fraud and breaches of laws and regulations - ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud.*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is made up a large volume of low value transactions, with little judgment or complexity involved and there is limited perceived pressure on management from sources outside or inside the entity to achieve an expected or unrealistic revenue or earnings target.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and post close adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted with unusual account combinations and material post close adjustments.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, UK Civil Aviation Authority regulations and ABTA regulations and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

## **Independent Auditor's Report to the members of Kirker Travel Limited (continued)**

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### **Fraud and breaches of laws and regulations - ability to detect (continued)**

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an 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. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **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 misstatement 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
- 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 7, 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.

## **Independent Auditor's Report to the members of Kirker Travel Limited (continued)**

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### **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.



**Julie Wheeldon (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
KPMG LLP  
1 Forest Gate  
Brighton Rd, Crawley  
RH11 9PT

Date: 30 June 2022

# Kirker Travel Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	3,521,254	3,475,907
Cost of sales		(2,475,994)	(2,581,806)
<b>Gross profit</b>		<b>1,045,260</b>	<b>894,101</b>
Administrative expenses		(3,016,531)	(2,904,156)
Other operating income		247,352	312,021
<b>Operating loss</b>	5	<b>(1,723,919)</b>	<b>(1,698,034)</b>
Interest receivable and similar income	9	3,145	-
Interest payable and similar expenses	10	(80,451)	(86,059)
<b>Loss before taxation</b>		<b>(1,801,225)</b>	<b>(1,784,093)</b>
Tax on loss	11	385,847	288,117
<b>Loss for the financial year</b>		<b>(1,415,378)</b>	<b>(1,495,976)</b>
<b>Other comprehensive (expense)/income:</b>			
<b>Items that will be subsequently reclassified to profit or loss</b>			
Effective portion of changes in fair value of cash flow hedges		(35,619)	8,776
Tax expense on other comprehensive income		7,016	28,544
<b>Other comprehensive (expense)/income for the financial year</b>		<b>(28,603)</b>	<b>37,320</b>
<b>Total comprehensive expense for the year</b>		<b>(1,443,981)</b>	<b>(1,458,656)</b>

The notes on pages 17 to 41 form part of these financial statements.

**Kirker Travel Limited**  
Registered number: 01985696

**Balance Sheet**  
**As at 31 December 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Intangible assets	12	32,390	60,676
Tangible assets	13	1,196,721	1,359,627
Investments	14	40,000	40,000
		<u>1,269,111</u>	<u>1,460,303</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	13,542,211	14,535,561
Cash and cash equivalents	16	363,721	197,956
		<u>13,905,932</u>	<u>14,733,517</u>
Creditors: amounts falling due within one year	17	(4,507,890)	(4,519,103)
<b>Net current assets</b>		<u>9,398,042</u>	<u>10,214,414</u>
<b>Total assets less current liabilities</b>		<u>10,667,153</u>	<u>11,674,717</u>
Creditors: amounts falling due after more than one year	18	(1,099,514)	(1,231,881)
		<u>9,567,639</u>	<u>10,442,836</u>
<b>Provisions for liabilities</b>			
Other provisions	21	(929,056)	(360,272)
<b>Net assets</b>		<u><u>8,638,583</u></u>	<u><u>10,082,564</u></u>

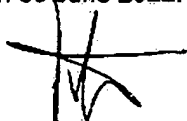


**Kirker Travel Limited**  
Registered number: 01985696

**Balance Sheet (continued)**  
**As at 31 December 2021**

	Note	2021 £	2020 £
<b>Capital and reserves</b>			
Called up share capital	22	100,000	100,000
Share premium account	23	1,364	1,364
Capital redemption reserve	23	9,090	9,090
Cash flow hedging reserve	23	36,218	64,821
Profit and loss account	23	8,491,911	9,907,289
<b>Total shareholders' funds</b>		<b>8,638,583</b>	<b>10,082,564</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 June 2022.



**F Torrilla**  
Director

The notes on pages 17 to 41 form part of these financial statements.

## Kirker Travel Limited

### Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Cash flow hedging reserve £	Profit and loss account £	Total equity £
At 1 January 2021	100,000	1,364	9,090	64,821	9,907,289	10,082,564
<b>Comprehensive income/(expense) for the year</b>						
Loss for the year	-	-	-	-	(1,415,378)	(1,415,378)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(35,619)	-	(35,619)
Tax on other comprehensive income	-	-	-	7,016	-	7,016
<b>Other comprehensive expense for the year</b>	-	-	-	(28,603)	-	(28,603)
<b>Total comprehensive expense for the year</b>	-	-	-	(28,603)	(1,415,378)	(1,443,981)
<b>At 31 December 2021</b>	<b>100,000</b>	<b>1,364</b>	<b>9,090</b>	<b>36,218</b>	<b>8,491,911</b>	<b>8,638,583</b>

The notes on pages 17 to 41 form part of these financial statements.

## Kirker Travel Limited

### Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Cash flow hedging reserve £	Profit and loss account £	Total equity £
At 1 January 2020	100,000	1,364	9,090	27,501	11,403,265	11,541,220
<b>Comprehensive income/(expense) for the year</b>						
Loss for the year	-	-	-	-	(1,495,976)	(1,495,976)
Effective portion of changes in fair value of cash flow hedges	-	-	-	8,776	-	8,776
Tax on other comprehensive income	-	-	-	28,544	-	28,544
<b>Other comprehensive income for the year</b>	-	-	-	37,320	-	37,320
<b>Total comprehensive income/(expense) for the year</b>	-	-	-	37,320	(1,495,976)	(1,458,656)
<b>At 31 December 2020</b>	<b>100,000</b>	<b>1,364</b>	<b>9,090</b>	<b>64,821</b>	<b>9,907,289</b>	<b>10,082,564</b>

The notes on pages 17 to 41 form part of these financial statements.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

Kirker Travel Limited is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Company's operations and principal activities are given in the Strategic Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards as adopted by the United Kingdom ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's presentational currency is GBP.

The Company is itself a subsidiary undertaking and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group. The Company's parent undertaking, DER Touristik UK Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of DER Touristik UK Limited are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from Touristik House, One Dorking Office Park, Dorking, RH4 1HJ and Companies House.

The following principal accounting policies have been applied consistently, other than where new policies have been adopted:

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.2 Impact of new International reporting standards, amendments and Interpretations IFRS 16

##### Covid-19-Related Rent Concessions (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The expedient is applicable to entities with periods beginning on or after 1 June 2020, however the Company chose to adopt the practical expedient early, in the financial statements for the year ended 31 December 2020.

Adopting the practical expedient is dependent on the following criteria having been satisfied:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There are no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Company has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient was applied retrospectively in the financial statements for the year ended 31 December 2020, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Company, occurred from March 2020 to June 2020.

Accounting for rent concessions as lease modifications would have resulted in the Company remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Company is not required to determine a revised discount rate and the effect of the change in the lease liability was reflected in profit or loss for the year ended 31 December 2020 which is the period in which the event or condition that triggered the rent concession occurred.

On 31 March 2021, the IASB issued another amendment to IFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This amendment is effective for annual periods beginning on or after 1 April 2021 with earlier application permitted. The amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment COVID-19-Related Rent Concessions.

The effect of applying the practical expedient in the financial statements for the year ended 31 December 2021 and 31 December 2020 is disclosed in note 19.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### Impact of new international reporting standards, amendments and interpretations 2.2 (continued)

##### Interest Rate Benchmark Reform - IBOR "Phase 2" (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to the Company in respect of certain loans whose contractual terms are affected by interest benchmark reform.

These amendments have had no impact on the financial statements for the year ended 31 December 2021 as the Company does not hold any loans.

#### 2.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.4 Going concern

As at 31 December 2021 the Company's balance sheet is in a strong position. The Company has net current assets of £9,398,042 and net assets of £8,638,583. Despite being impacted by the COVID-19 pandemic the Company is in an enviable cash position with cash in the bank of £363,721 as well as further cash on deposit with a fellow Group Company REWE International Finance B.V of £12,153,465.

The directors have prepared cash flow forecasts for the period up to 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the ongoing impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds, through in downside cases funding from its ultimate parent company, REWE ZentralFinanz EG, to meet its liabilities as they fall due for the period.

Those forecasts are dependent on REWE ZentralFinanz EG continuing to make available such funds as are needed by the Company, and that it does not intend to seek repayment of any amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

In addition to the strength of the Company as a stand-alone vehicle, the Company also benefits from the support of its intermediate parent company, Der Touristik Group GmbH, who have provided an undertaking that for at least 12 months from the date of approval of these financial statements, if required, it will provide financial support to ensure that the Company is able to meet its current and future obligations.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 2.5 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

#### 2.6 Derivative financial instruments and hedging

##### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2. Accounting policies (continued)

#### 2.6 Derivative financial instruments and hedging (continued)

##### *Cash flow hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item (including a non-financial item that becomes a firm commitment for which fair value hedge accounting is applied – see below), the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

#### 2.7 Turnover

Turnover represents the invoiced value of services provided exclusive of value added tax, in respect of holidays taken for departure dates up to 31 December 2021. Turnover is generated from the sale of a bundled performance obligation, being a holiday package, with a fixed price. Income is not treated as earned until departure date.

Income from the rendering of services is recognised in accordance with the stage of completion. Stage of completion is measured by the number of departed nights in a booking that fall in a particular year. Total revenue for a booking is assumed to accrue evenly across each day.

#### 2.8 Leases

##### **The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as those with a value below USD 5,000 at inception). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Balance Sheet.



# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.8 Leases (continued)

#### 2.8 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is reduced for any rent forgiven due to the impact of COVID-19 (as disclosed in note 19).

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed in which case the lease liability is re-measured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in 'Tangible Fixed Assets' in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in full in profit or loss in the year in which the impairment is identified.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Software	- 3 years
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Software consists of website development costs that have been capitalised to the extent that an enduring asset has been created where future economic benefits are expected to arise.

#### 2.10 Tangible 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, as shown below:

Short-term leasehold improvements	- Over the lease term
Right-of use property	- Over the lease term
Right-of-use motor vehicles	- Over the lease term
Fixtures, furniture and equipment	- 5 years
Computer equipment	- 3 or 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

#### 2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment is provided by applying the expected credit loss model, using the simplified approach, as no receivables have been assessed to include a significant financing component, taking historic, current and forward looking information into account.

# **Kirker Travel Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2021**

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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 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **2.15 Provisions for liabilities**

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

#### **2.16 Government grants**

Government grants are included within accruals and deferred income in the Balance Sheet and credited to the Statement of Comprehensive Income on a systematic basis over the estimated useful economic lives of the assets to which they relate or over the periods in which the related costs for which the grants are intended to compensate are recognised as expenses. Amounts recognised in the Statement of Comprehensive Income are presented under the heading "Other operating income".

#### **2.17 Foreign currency translation**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign currency gains and losses are reported on a net basis.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.18 Finance costs

Finance costs include interest relating to the unwinding of the discount on lease liabilities and the associated dilapidations provisions which are recognised over the term of the lease.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the Statement of Comprehensive Income within cost of sales.

#### 2.19 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

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

#### 2.20 Marketing and other direct sales costs

Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed as expenditure is incurred. The invoiced value of contributions from suppliers for involvement in marketing and brochure activities has been deducted from marketing expenses.

#### 2.21 Interest income

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

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

#### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

##### *Revenue recognition*

The Company recognises revenue based on the date of departure of the booking apportioned on a percentage of completion basis. The directors believe this is the most appropriate revenue basis as this matches the point at which the service is performed.

##### *Leases*

Options to renew are only taken into account if, on the basis of the plans approved by management, it is sufficiently certain that the corresponding leased asset will continued to be operated over this period; otherwise, the shortest possible lease term is assumed.

##### *Deferred tax asset*

Management consider whether it is probable that there will be future taxable profits when considering the recognition of the deferred tax asset.

#### **Key sources of estimation uncertainty**

The following are key sources of estimation uncertainty that the directors have applied in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

##### *Leases*

An interest rate of 6% for real estate and 2% for fleet has been used to calculate the present value of lease liabilities and the associated right-of use asset.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

#### Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2021 £	2020 £
Receivables	-	-
Contracts assets	-	-
Contract liabilities	(2,806,979)	(2,596,711)

The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £16,145 (2020: £94,023).

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £207,275 (2020: £1,394,271).

The contract liabilities at 31 December 2021 primarily relate to the advance consideration received from customers for the purchase of holiday packages.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 5. Operating loss

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

	2021 £	2020 £
Amortisation of intangible assets	28,286	31,668
Depreciation of tangible fixed assets	164,155	168,021
Exchange differences	(43,353)	(426,489)
Defined contribution pension cost	73,581	77,963
Coronavirus job retention scheme grant income	(247,352)	(312,021)

Depreciation of tangible assets comprises charges against the following assets:

	2021 £	2020 £
Right-of-use property	151,102	151,101
Right-of-use motor vehicles	4,783	6,311
Fixtures, furniture and equipment	1,535	3,984
Computer equipment	6,735	6,625
	<u>164,155</u>	<u>168,021</u>

### 6. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements:

	2021 £	2020 £
Audit of these financial statements	29,238	26,503
Audit-related assurance services	4,800	5,833
	<u>34,038</u>	<u>32,336</u>



# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 7. Employees

Staff costs, including directors' remuneration borne by the parent company, were as follows:

	2021 £	2020 £
Wages and salaries	1,232,174	1,658,157
Social security costs	148,619	167,979
Other pension costs	73,581	77,963
	<u>1,454,374</u>	<u>1,904,099</u>

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

	2021 No.	2020 No.
Sales	18	23
Administration	17	20
Directors	2	2
	<u>37</u>	<u>45</u>

### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	32,513	44,884
Company contributions to defined contribution pension schemes	1,376	1,729
	<u>33,889</u>	<u>46,613</u>

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

Directors' remuneration is paid by the parent company, DER Touristik UK Limited, and allocated to the Company on a time spent basis.

All directors are deemed to be key management personnel.

### 9. Interest receivable and similar income

	2021 £	2020 £
Interest receivable on corporation tax refund	<u>3,145</u>	<u>-</u>

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 10. Interest payable and similar expenses

	2021 £	2020 £
Interest on dilapidations provision	3,063	2,890
Interest on lease liabilities	75,994	83,169
Other interest payable	1,394	-
	<u>80,451</u>	<u>86,059</u>

### 11. Tax on loss

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on losses for the year	(331,971)	(362,419)
Adjustments in respect of previous periods	(962)	72,525
<b>Total current tax</b>	<u>(332,933)</u>	<u>(289,894)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(43,541)	2,119
Effect of tax rate change on opening balance	(9,373)	(342)
<b>Total deferred tax</b>	<u>(52,914)</u>	<u>1,777</u>
<b>Tax on loss</b>	<u>(385,847)</u>	<u>(288,117)</u>

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11. Tax on loss (continued)

#### Factors affecting tax credit for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(1,801,225)	(1,784,093)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(342,233)	(338,978)
Effects of:		
Expenses not deductible for tax purposes	14,283	524
Income not taxable for tax expenses	-	(21,846)
Adjustments to tax charge in respect of prior periods	(962)	72,525
Changes to tax rates	(21,507)	(342)
Movement in deferred tax not recognised	(35,428)	-
Total tax credit for the year	(385,847)	(288,117)

#### Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021 and received royal assent on 10 June 2021, therefore the deferred tax balances have been remeasured at 25% with an adjustment recognised in the 2021 tax charge/(credit) for remeasurement of the opening deferred tax balance.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 12. Intangible assets

	Software £
<b>Cost</b>	
At 1 January 2021	139,625
At 31 December 2021	<u>139,625</u>
<b>Amortisation</b>	
At 1 January 2021	78,949
Charge for the year	28,286
At 31 December 2021	<u>107,235</u>
<b>Net book value</b>	
At 31 December 2021	<u>32,390</u>
At 31 December 2020	<u>60,676</u>

The amortisation charge for the year is recognised within administrative expenses in the Statement of Comprehensive Income.

## Kirker Travel Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 13. Tangible assets

	Right-of-use property £	Right-of-use motor vehicles £	Fixtures, furniture and equipment £	Computer equipment £	Short-term leasehold improvements £	Total £
<b>Cost</b>						
At 1 January 2021	1,511,012	14,354	49,164	56,176	23,320	1,654,026
Additions	-	-	-	1,249	-	1,249
At 31 December 2021	1,511,012	14,354	49,164	57,425	23,320	1,655,275
<b>Depreciation</b>						
At 1 January 2021	188,876	6,381	46,349	29,473	23,320	294,399
Charge for the year	151,102	4,783	1,535	6,735	-	164,155
At 31 December 2021	339,978	11,164	47,884	36,208	23,320	458,554
<b>Net book value</b>						
At 31 December 2021	1,171,034	3,190	1,280	21,217	-	1,196,721
At 31 December 2020	1,322,136	7,973	2,815	26,703	-	1,359,627

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 13. Tangible assets (continued)

The depreciation charge for the year is recognised within administrative expenses in the Statement of Comprehensive Income.

### 14. Investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	<u>40,000</u>

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
Kirker Travel Services Limited	Transport ticketing services	Ordinary	100%

The registered office of Kirker Travel Services Limited is the same as for its parent undertaking, as disclosed in the Company Information page.

The carrying value of the Company's investment in Kirker Travel Services Limited is supported by the trading activity of the Company itself. The subsidiary listed above is a VAT Transport vehicle and as a consequence its profitability/carrying value is inherently linked to the trading activities of the Company. Therefore, as the directors deem it is an appropriate measure to use the going concern assumption for the Company (see note 2.4) this also supports the carrying value of the investment in the subsidiary company.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 15. Debtors

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	12,153,465	13,255,064
Other debtors	111,568	121,422
Prepayments and accrued income	828,389	779,688
Corporation tax receivable	355,745	324,159
Deferred taxation (note 20)	89,610	29,680
Financial instruments	3,434	25,548
	<u>13,542,211</u>	<u>14,535,561</u>

Amounts owed by group undertakings relates to Group cash deposits subject to a cash pooling agreement made with REWE International Finance B.V., a fellow Group company based in the Netherlands. No interest on these cash deposits was earned in the year (2020: Nil).

Financial instruments relate to derivatives, specifically forward exchange contracts, used for hedging. These are all designated at Fair Value through Profit and Loss.

### 16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>363,721</u>	<u>197,956</u>

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 17. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	36,556	7,721
Amounts owed to group undertakings	58,358	36,718
Other taxation and social security	50,037	112,796
Lease liabilities (note 19)	132,367	126,437
Other creditors	564,116	638,538
Accruals and deferred income	3,597,786	3,596,893
Financial instruments	68,670	-
	<u>4,507,890</u>	<u>4,519,103</u>

Amounts owed to fellow group undertakings are unsecured, interest free and payable on demand through an intercompany netting process.

Financial instruments relate to derivatives, specifically forward exchange contracts, used for hedging. These are all designated at Fair Value through Profit and Loss.

### 18. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Lease liabilities (note 19)	<u>1,099,514</u>	<u>1,231,881</u>



# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 19. Leases

#### Company as a lessee

See note 2.2 for the nature of leases undertaken by the Company.

Lease liabilities are due as follows:

	2021 £	2020 £
Not later than one year	132,367	126,437
Between one year and five years	771,725	568,207
Later than five years	327,789	663,674
	<u>1,231,881</u>	<u>1,358,318</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £	2020 £
Interest expense on lease liabilities	75,994	83,169
Rent concession	(8,116)	(16,458)
	<u></u>	<u></u>

#### Lease liability reconciliation

	2021 £	2020 £
At 1 January	1,358,318	1,479,151
Interest expense	75,994	83,169
Rent concession	(8,116)	(16,458)
Lease payments	(194,315)	(187,544)
At 31 December	<u>1,231,881</u>	<u>1,358,318</u>

The Company has received a COVID-19 related rent concession in the form of rent forgiveness (reductions in rent contractually due under the terms of lease agreements).

The Company elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfied the criteria. All of the rent concessions entered into during year satisfied the criteria to apply the practical expedient.

The application of the practical expedient has resulted in the reduction of total lease liabilities of £8,116 (2020: £16,458).

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 20. Deferred taxation

	2021 £	2020 £
At beginning of year	29,680	2,913
Credited/(charged) to profit or loss	52,914	(1,777)
Credited to other comprehensive income	7,016	28,544
<b>At end of year</b>	<b>89,610</b>	<b>29,680</b>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset differences	5,138	4,306
Capital losses	9,055	2,038
Short term temporary differences	75,417	23,336
	<b>89,610</b>	<b>29,680</b>

The Company's deferred tax assets primarily derive from carried forward losses that have arisen as a result of the COVID-19 pandemic. The utilisation of these assets is dependant on the future taxable profits of the Company. Management have prepared forecasts for the upcoming 5 year period showing the Company is expected to return to profitability in upcoming years and will therefore be in a position to utilise the deferred tax assets currently recognised.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 21. Other provisions

	Dilapidations provision £	Legal provision £	Provision against unreturned refunds £	Total £
At 1 January 2021	51,049	-	309,223	360,272
Utilised in the year	-	-	(100,421)	(100,421)
Released in the year	-	-	(119,598)	(119,598)
Recognised in the year	-	630,000	155,740	785,740
Interest	3,063	-	-	3,063
<b>At 31 December 2021</b>	<b>54,112</b>	<b>630,000</b>	<b>244,944</b>	<b>929,056</b>

Provisions relate to dilapidation obligations on office and retail space occupied by the Group together with provisions against unreturned refunds relating to customer bookings that were cancelled in the year ending 31 December 2020, as a result of the COVID-19 pandemic, which are recorded in prepayments within debtors: amounts falling due within 1 year. These have been labelled as "other provisions".

The dilapidation provisions have been calculated on the net present value of the anticipated cash outflows required at the end of each respective lease arrangement. Management used a discount rate of 6% in arriving at this provision.

Provision against unreturned refunds has been calculated based on management's assessment and judgement of the financial strength of specific airlines and hoteliers. Where it was deemed that recoverability of amounts due was in doubt a provision has been recognised against this. These provisions are expected to unwind over the next 12 months although there is an element of doubt in this as it is dependent on the rate the sector recovers from the COVID-19 pandemic.

The legal provision relates to a one-off case which arose in 2020 and relates to a contract dispute with the allowance for legal representation. The provision has been calculated based on professional advice and management's assessment of the case.

### 22. Called up share capital

	2021 £	2020 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100,000 (2020: 100,000) Ordinary shares of £1 each	100,000	100,000

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. The shares do not confer any rights of redemption. All shares rank pari passu in respect of these rights and each share carries one vote.

# Kirker Travel Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 23. Reserves

The Company has the following reserves:

#### Share premium account

The share premium reserve relates to amounts paid for share capital in excess of nominal value.

#### Capital redemption reserve

The capital redemption reserve relates to the nominal value of share capital that has been repurchased.

#### Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedge transactions that have not yet occurred.

#### Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

### 24. 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 £73,581 (2020: £77,963). Contributions totalling £11,670 (2020: £12,122) were payable to the fund at the Balance Sheet date.

### 25. Controlling party

The immediate parent company is DER Touristik UK Limited, incorporated in England and Wales. This is also the parent undertaking of the smallest group for which consolidated financial statements are prepared.

REWE ZentralFinanz eG is the parent undertaking of the largest group for which consolidated financial statements are prepared. A copy of the consolidated financial statements may be obtained from REWE ZentralFinanz eG, Domstraße 20, 50668, Köln. In the opinion of the directors this is the Company's ultimate parent undertaking and ultimate controlling party at the date of this report.