

Strategic Report, Report of the Director and

Audited Financial Statements

For The Year Ended 31 December 2021

for

Benz Travel Limited

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For The Year Ended 31 December 2021

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Benz Travel Limited
Company Information
For The Year Ended 31 December 2021

DIRECTOR: Mr S Kripalani

SECRETARY: Mrs S Kripalani

REGISTERED OFFICE: Viglen House, Suite 110
Alperton Lane
Wembley
Middlesex
HA0 1HD

REGISTERED NUMBER: 02626287 (England and Wales)

AUDITORS: RNS Business Solutions Limited
Chartered Accountants
Statutory Auditors
276 Preston Road
Harrow
Middlesex
HA3 0QA

Strategic Report
For The Year Ended 31 December 2021

The director presents his strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The company is one of the leading independent travel agents selling flights, cruises and holiday packages. We continue developing sales of new and emerging holiday destinations. The company also operates a rental property business.

The company's turnover in 2021 decreased to £6.40 million from £7.89 million in 2020. This resulted in operating loss of £621,186 for the year (2020: operating loss of £271,875). The gross profit margins decreased to 7.86% from 14.31% in 2020. The negative EBITDA increased to £568,085 from negative EBITDA of £76,419 in 2020. However the negative EBITDA increased to £591,319 from negative EBITDA of £237,057 in 2020 excluding fair value movement on investments and investment properties.

During 2022 the company has started the recovery process suffered in 2021 as travel restriction were eased.

The company's investment property portfolio continued to generate expected return. During the year the company received rental income of £50,882 (2020: £126,939). The aggregate market value of the company's investment properties was £1.87 million (2020: £2.48 million). The company sold 4 properties for £660,000 during the year.

As at the balance sheet date, the company's gross assets were £5.38 million (2020: £5.41 million) and the net assets were £1.18 million (2020: £1.85 million).

Key performance indicators

The directors continue to monitor KPI's in respect of sales, gross profit, EBITDA and operating cash flow of the company.

Travel regulatory bodies

The company holds an IATA and ATOL licence which ensures protection to its customers.

PRINCIPAL RISKS AND UNCERTAINTIES

Covid-19

In 2020 due to the Covid-19 global pandemic, most countries around the world imposed travel restrictions and had strict quarantine rules which significantly impacted our business. Majority of hotels across the globe remained closed for a considerable period of time of the year which also impacted the company's business. Although restrictions on travel are being eased gradually, Covid-19 has impacted our business and it will take some time for the company to return to pre pandemic trading conditions. In addition, the business enquiries have increased in the year 2022.

Brexit

The UK formally left the EU on 31 January 2020 and the transition period ended on 31 December 2020. Brexit is one of the most significant economic events for the UK and its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown, however it has not directly impacted the company's business. The UK travel industry remains extremely competitive, and the company expects that the competitive pressure will continue.

SECTION 172(1) STATEMENT

The following disclosure describes how the directors have had regard to the matters set out in Section 172(1) (a) to (f) and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

Customers:

If the company is unable to meet the expectations of customers and does not engage effectively to maintain their loyalty to the Benz Travel brand, then the brand will be eroded and the company will lose its market share.

Customers continue to value reliability, value for money and good customer service experience throughout their journey from booking to arrival at the destination.

The company remains committed to improving customer service by investing in its sales and customer service staff to handle customer enquiries and grievances. During 2021, as a result of Covid-19 the company offered greater flexibility to its customer, in terms of changes in bookings and processing refunds for cancellations resulting in loyal customer support.

Strategic Report
For The Year Ended 31 December 2021

SECTION 172(1) STATEMENT - continued

Suppliers:

The company's suppliers are fundamental to ensuring that the company meets the standards of conduct that the customers expect.

Suppliers value operational stability, transparency, and integrity at all times in all business dealings and timely settlement avoiding liquidity challenges.

The directors continue to engage regularly with the airlines, who are the company's main suppliers, and the suppliers of other products by making timely and accurate payments.

The company is a member of IATA and uses Billing and Settlement Plan (BSP) to settle airline payments.

Employees:

The company's long-term success is based on the commitment of its workforce to the company's purpose and demonstrating its values on a daily basis.

Engagement with the employees is essential to ensure the company fosters an environment that the workforce is motivated to work. The company operates in a working environment which encourages employees to share their views on all matters with senior management.

Given the significant impact of Covid-19, the company made use of the Government's Coronavirus Job Retention Scheme (CJRS) to minimise redundancies. The company implemented measures to ensure health and safety of our staff during the pandemic.

Communities and environment:

The communities in which the company operates require the company to operate in a socially responsible manner and protect the environment.

The company continues to support the local communities where it operates by providing employment opportunities to local people and paying fair amount of taxes.

The directors consider that the company's operations do not have significant adverse impact on the environment.

Long term decisions:

Principal decisions are those that are material to the company and significant to any of the stakeholder group. In making the principal decisions outlined in the Section 172 statement, the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the company.

STRATEGY AND OBJECTIVITY

The vision of the company is to be a sustainable market leader in the travel industry and the strategies are designed to increase its market share, drive the company to be competitive and achieve its vision. The main objective of the company is to reduce our cost base across our larger product portfolio and wider world market. In addition, we are focused on strengthening our core mainstream business and investing in areas of future growth, independent travel, and travel related financial business.

Strategy post Covid-19 business environment

The outbreak of Covid-19 has materially and adversely affected the supply and demand for the company's primary products. Worldwide restrictions on travel to contain the spread of the virus has resulted in significant decrease in demand for air tickets and holiday packages till last year but we have seen encouraging and positive trends this year.

The company's future strategy will be focused on providing high end holiday packages and offering customers more flexibility to encourage increased sales. The focus of the company will be to achieve higher market share by innovative marketing, providing good customer experience and offering new products.

Strategic Report
For The Year Ended 31 December 2021

BUSINESS MODEL

We drive our sales through retail outlets, call centres and websites. We have invested more money in advertising to create a brand name Benz Travel worldwide and increased the resources in sales and marketing.

Our core business remains our mainstream business, which is predominantly the sale of flight tickets, cruises and other components of travel, such as hotels, transfers and other services. These products are sold to customers through brochures, travel agents and online through corporate website or over the phone from our call centres.

The company continues to see the benefits of its website and software development expenditure with an increase in the turnover generated through online presence. Going forward, the strategy is to maximise the value of the mainstream business through cost efficiencies and by concentrating on the sale of profitable products.

ON BEHALF OF THE BOARD:

Mr S Kripalani - Director

30 July 2022

Report of the Director
For The Year Ended 31 December 2021

The director presents his report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a travel agent.

DIVIDENDS

No interim dividend was paid during the year. The director recommends a final dividend of £0.70 per share.

The total distribution of dividends for the year ended 31 December 2021 will be £ 70,000 .

RESEARCH AND DEVELOPMENT

The company continues to spend many resources in software and website technology to enable a smooth booking process for the consumer. The company has also invested in back office systems to enable efficient reporting to remain competitive in a challenging business environment.

DIRECTOR

Mr S Kripalani held office during the whole of the period from 1 January 2021 to the date of this report.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise of bank balances, bank loans, creditors and debtors. The main purpose of these instruments is to raise funds and finance the operations of the company.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to financial instruments is disclosed below:

Liquidity Risk: The company's banking facilities are provided by Barclays Bank and other financial institutions in the form of long term loans and overdrafts and in our opinion, we believe that the lenders will continue to provide the company with the facility.

Currency Risk: The company regularly reviews its foreign exchange requirements and prices its products to hedge against any currency fluctuations.

Interest Rate Risk: It is the company policy to actively review the projected interest rate risk over future periods based on the expected future borrowings. There were no interest rates hedges in place at the balance sheet date. This will continue to be reviewed on a regular basis by the management.

Credit Risk: Some of our customers have been extended credit and the management regularly monitors the credit facilities provided to the customers in order to minimise the loss.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Director
For The Year Ended 31 December 2021

STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, RNS Business Solutions Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr S Kripalani - Director

30 July 2022

Independent Auditors' Report to the Members of
Benz Travel Limited

Opinion

We have audited the financial statements of Benz Travel Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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, 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Auditors' Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report to the Members of
Benz Travel Limited

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 Report of the Director.

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on pages five and six, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report to the Members of
Benz Travel Limited

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained and updated an understanding of the entity, its activities, its control environment and the legal and regulatory frameworks applicable to the company and how the entity is complying with those frameworks. We determined that the most significant laws and regulations are those relating to the reporting framework (FRS 102). There are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the regulations set by the Civil Aviation Authority, the General Data Protection Regulation and those laws and regulations relating to health and safety and employee matters.

Based on our understanding, we identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected or alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiries;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by intentional misrepresentations, forgery, collusion or override of internal control.

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Rakesh Sangani BA FCA (Senior Statutory Auditor)
for and on behalf of RNS Business Solutions Limited
Chartered Accountants
Statutory Auditors
276 Preston Road
Harrow
Middlesex
HA3 0QA

30 July 2022

Benz Travel Limited (Registered number: 02626287)

Profit and Loss Account
For The Year Ended 31 December 2021

	Notes	31/12/21 £	31/12/20 £
TURNOVER	3	6,400,342	7,892,897
Cost of sales		<u>5,897,319</u>	<u>6,763,361</u>
GROSS PROFIT		503,023	1,129,536
Administrative expenses		<u>1,332,778</u> (829,755)	<u>1,792,379</u> (662,843)
Other operating income	4	<u>208,569</u>	<u>390,968</u>
OPERATING LOSS	7	(621,186)	(271,875)
Interest receivable and similar income		<u>24,867</u> (596,319)	<u>33,568</u> (238,307)
Gain/loss on fair value movement of assets		<u>23,234</u> (573,085)	<u>160,638</u> (77,669)
Interest payable and similar expenses	8	<u>33,652</u> (606,737)	<u>67,373</u> (145,042)
LOSS BEFORE TAXATION			
Tax on loss	9	<u>(7,340)</u>	<u>(13,858)</u>
LOSS FOR THE FINANCIAL YEAR		(599,397)	(131,184)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(599,397)</u>	<u>(131,184)</u>

The notes form part of these financial statements

Benz Travel Limited (Registered number: 02626287)

Balance Sheet
31 December 2021

	Notes	31/12/21 £	31/12/20 £
FIXED ASSETS			
Intangible assets	11	-	5,000
Tangible assets	12	9	9
Investment property	13	<u>1,870,000</u>	<u>2,474,999</u>
		<u>1,870,009</u>	<u>2,480,008</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	2,705,270	2,008,289
Investments	15	9,060	9,827
Cash at bank and in hand		<u>796,636</u>	<u>910,046</u>
		3,510,966	2,928,162
CREDITORS			
Amounts falling due within one year	16	<u>(3,009,177)</u>	<u>(1,906,979)</u>
NET CURRENT ASSETS		<u>501,789</u>	<u>1,021,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,371,798	3,501,191
CREDITORS			
Amounts falling due after more than one year	17	(1,064,023)	(1,516,679)
PROVISIONS FOR LIABILITIES	21	<u>(131,517)</u>	<u>(138,857)</u>
NET ASSETS		<u>1,176,258</u>	<u>1,845,655</u>
CAPITAL AND RESERVES			
Called up share capital	22	100,000	100,000
Profit and loss account	23	<u>1,076,258</u>	<u>1,745,655</u>
SHAREHOLDERS' FUNDS		<u>1,176,258</u>	<u>1,845,655</u>

The financial statements were approved by the director and authorised for issue on 30 July 2022 and were signed by:

Mr S Kripalani - Director

The notes form part of these financial statements

Statement of Changes in Equity
For The Year Ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2020	100,000	1,926,839	2,026,839
Changes in equity			
Deficit for the year	-	(131,184)	(131,184)
Total comprehensive loss	-	(131,184)	(131,184)
Dividends	-	(50,000)	(50,000)
Balance at 31 December 2020	100,000	1,745,655	1,845,655
Changes in equity			
Deficit for the year	-	(599,397)	(599,397)
Total comprehensive loss	-	(599,397)	(599,397)
Dividends	-	(70,000)	(70,000)
Balance at 31 December 2021	100,000	1,076,258	1,176,258

Cash Flow Statement
For The Year Ended 31 December 2021

	Notes	31/12/21 £	31/12/20 £
Cash flows from operating activities			
Cash generated from operations	1	(286,710)	(1,225,801)
Interest paid		(33,652)	(67,373)
Tax paid		(236)	-
Net cash from operating activities		<u>(320,598)</u>	<u>(1,293,174)</u>
Cash flows from investing activities			
Purchase of investment property		-	(5,361)
Sale of investment property		646,172	735,099
Purchase of current asset investments		(16,000)	(31,000)
Interest received		<u>24,867</u>	<u>33,568</u>
Net cash from investing activities		<u>655,039</u>	<u>732,306</u>
Cash flows from financing activities			
Net increase/(decrease) in loans		(377,851)	123,811
Equity dividends paid		<u>(70,000)</u>	<u>(50,000)</u>
Net cash from financing activities		<u>(447,851)</u>	<u>73,811</u>
Decrease in cash and cash equivalents		<u>(113,410)</u>	<u>(487,057)</u>
Cash and cash equivalents at beginning of year	2	910,046	1,397,103
Cash and cash equivalents at end of year	2	<u><u>796,636</u></u>	<u><u>910,046</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31 December 2021

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/12/21	31/12/20
	£	£
Loss before taxation	(606,737)	(145,042)
Depreciation charges	5,000	1,250
(Profit)/loss on disposal of fixed assets	(1,172)	38,984
Gain on revaluation of fixed assets	(40,001)	(191,765)
(Gain)/Loss on revaluation of investment	16,767	31,127
Finance costs	33,652	67,373
Finance income	<u>(24,867)</u>	<u>(33,568)</u>
	(617,358)	(231,641)
(Increase)/decrease in trade and other debtors	(747,274)	2,001,155
Increase/(decrease) in trade and other creditors	<u>1,077,922</u>	<u>(2,995,315)</u>
Cash generated from operations	<u>(286,710)</u>	<u>(1,225,801)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u>796,636</u>	<u>910,046</u>

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u>910,046</u>	<u>1,397,103</u>

Notes to the Cash Flow Statement
For The Year Ended 31 December 2021

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	910,046	(113,410)	796,636
	<u>910,046</u>	<u>(113,410)</u>	<u>796,636</u>
Liquid resources			
Current asset investments	9,827	(767)	9,060
	<u>9,827</u>	<u>(767)</u>	<u>9,060</u>
Debt			
Debts falling due within 1 year	(60,948)	(74,805)	(135,753)
Debts falling due after 1 year	(1,516,679)	452,656	(1,064,023)
	<u>(1,577,627)</u>	<u>377,851</u>	<u>(1,199,776)</u>
Total	<u>(657,754)</u>	<u>263,674</u>	<u>(394,080)</u>

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

1. STATUTORY INFORMATION

Benz Travel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in the company's functional currency which is Sterling (£).

Significant judgements and estimates

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

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

Turnover

Rendering of services

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Revenue recognition

Revenue from airline ticketing operation and sale of packaged holidays is recognised at the point of confirmed booking, when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of transaction can be measured reliably.

Rental income

Rental income represents rent receivable from letting of own investment properties.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, has been fully amortised in the year.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 20% on cost

Tangible fixed assets 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 either a straight line or reducing balance method, as indicated above.

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.

Government grants

Government grants, including non-monetary grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Grants are recognised either based on the performance model or the accrual model. This policy is applied on a class-by-class basis.

Amounts received under the Coronavirus Job Retention Scheme (CJRS), Coronavirus Statutory Sick Pay Rebate Scheme and Retail, Hospitality and Leisure Grant (RHLG) are recognised as income based on the accrual model.

Investment property

In accordance with FRS 102, investment properties shall be measured at fair value at each reporting date with changes in fair value recognised in the Statement of Comprehensive Income.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Investments

Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Financial instruments

Financial liabilities and equity instruments are classified and accounted for according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its liabilities.

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.

The company reviews impairment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers the factors including ageing profile and past experience of the debtors. See the Debtors note for the net carrying amount of debtors.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalent includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdraft.

Going concern

The company is subject to the cyclical nature of the hospitality and travel industry and is also impacted by the effect that global economic trends have on its customers.

The director is confident that despite the fall in revenue during the pandemic, the company is in a strong position to recover, following the easing of lockdown conditions. The company has secured finance with the company's banks and other financial institution. Therefore, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31/12/21	31/12/20
	£	£
Rendering of services	6,400,342	7,892,897
	<u>6,400,342</u>	<u>7,892,897</u>

An analysis of turnover by geographical market is given below:

	31/12/21	31/12/20
	£	£
United Kingdom	6,400,342	7,892,897
	<u>6,400,342</u>	<u>7,892,897</u>

The principal activity of the company in the year under review was that of wholesale and retail air travel services.

4. OTHER OPERATING INCOME

	31/12/21	31/12/20
	£	£
Rents received	50,882	126,939
Government grants	157,687	264,029
	<u>208,569</u>	<u>390,968</u>

The company received £157,687 (2020: £264,029) under the Coronavirus Job Retention Scheme (CJRS), Coronavirus Statutory Sick Pay Rebate Scheme and Retail, Hospitality and Leisure Grant (RHLG) during the year.

Rents received

	31/12/21	31/12/20
£		£
Gross rental income	145,431	194,625
Less - investment properties expenses	(94,549)	(67,686)
Net rental income	<u>50,882</u>	<u>126,939</u>

5. EMPLOYEES AND DIRECTORS

	31/12/21	31/12/20
	£	£
Wages and salaries	736,924	915,004
Social security costs	41,617	55,207
Other pension costs	6,269	9,711
	<u>784,810</u>	<u>979,922</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31/12/21	31/12/20
Directors	1	1
Administration	6	6
Sales	<u>10</u>	<u>14</u>
	<u>17</u>	<u>21</u>

6. DIRECTORS' EMOLUMENTS

	31/12/21	31/12/20
	£	£
Director's remuneration	<u>8,628</u>	<u>8,628</u>

The director received benefits in kind of £3,333 (2020: £3,006)

7. OPERATING LOSS

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

	31/12/21	31/12/20
	£	£
Other operating leases	44,800	73,223
(Profit)/loss on disposal of fixed assets	(1,172)	38,984
Goodwill amortisation	5,000	1,250
Auditors' remuneration	8,000	11,450
Foreign exchange differences	<u>-</u>	<u>1,919</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/21	31/12/20
	£	£
Bank loan interest	<u>33,652</u>	<u>67,373</u>

9. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31/12/21	31/12/20
	£	£
Current tax:		
UK corporation tax	-	(50,293)
Deferred tax	<u>(7,340)</u>	<u>36,435</u>
Tax on loss	<u>(7,340)</u>	<u>(13,858)</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

9. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/21 £	31/12/20 £
Loss before tax	<u>(606,737)</u>	<u>(145,042)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(115,280)	(27,558)
Effects of:		
Expenses not deductible for tax purposes	3,333	13,715
Income not taxable for tax purposes	(7,823)	(36,435)
Capital allowances in excess of depreciation	-	(15)
Depreciation in excess of capital allowances	743	-
Losses carried forward	119,027	-
Deferred tax	<u>(7,340)</u>	<u>36,435</u>
Total tax credit	<u>(7,340)</u>	<u>(13,858)</u>

10. DIVIDENDS

	31/12/21 £	31/12/20 £
Ordinary shares of £1 each		
Final	<u>70,000</u>	<u>50,000</u>

11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2021	
and 31 December 2021	<u>25,000</u>
AMORTISATION	
At 1 January 2021	20,000
Amortisation for year	<u>5,000</u>
At 31 December 2021	<u>25,000</u>
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	<u>5,000</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

12. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2021	
and 31 December 2021	<u>77,807</u>
DEPRECIATION	
At 1 January 2021	
and 31 December 2021	<u>77,798</u>
NET BOOK VALUE	
At 31 December 2021	<u>9</u>
At 31 December 2020	<u>9</u>

13. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2021	2,474,999
Disposals	(645,000)
Fair value movement	40,001
At 31 December 2021	<u>1,870,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,870,000</u>
At 31 December 2020	<u>2,474,999</u>

Fair value at 31 December 2021 is represented by:

	£
Valuation in 2020	486,068
Valuation in 2021	40,001
Cost	<u>1,343,931</u>
	<u>1,870,000</u>

If investment property had not been revalued they would have been included at the following historical cost:

	31/12/21	31/12/20
	£	£
Cost	<u>1,343,931</u>	<u>1,818,556</u>

Investment properties were valued on an open market basis on 31 December 2021 by the director .

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/21	31/12/20
	£	£
Trade debtors	2,629,809	1,577,732
Other debtors	64,223	314,224
Tax	-	50,293
VAT	11,010	21,460
Prepayments and accrued income	228	44,580
	<u>2,705,270</u>	<u>2,008,289</u>

The management considers that there are no impairment losses during this year or the previous year.

15. CURRENT ASSET INVESTMENTS

	31/12/21	31/12/20
	£	£
Listed investments	<u>9,060</u>	<u>9,827</u>
Market value of listed investments at 31 December 2021 - £ 9,060 (2020 - £ 9,827).		

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/21	31/12/20
	£	£
Bank loans and overdrafts (see note 18)	135,753	60,948
Trade creditors	2,663,720	1,653,851
Tax	64	50,593
Social security and other taxes	10,926	12,661
Other creditors	47,728	47,728
Accrued expenses	150,986	81,198
	<u>3,009,177</u>	<u>1,906,979</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/21	31/12/20
	£	£
Bank loans (see note 18)	<u>1,064,023</u>	<u>1,516,679</u>

18. LOANS

An analysis of the maturity of loans is given below:

	31/12/21	31/12/20
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>135,753</u>	<u>60,948</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>125,891</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>281,438</u>	<u>-</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

18. LOANS - continued

	31/12/21	31/12/20
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans more 5 yrs non-inst	<u>349,084</u>	<u>484,542</u>
Repayable by instalments		
Bank loans more 5 yr by instal	<u>307,610</u>	<u>1,032,137</u>

The rate of interest payable on the bank loans varies from 4% to 14.99%.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/12/21	31/12/20
	£	£
Within one year	<u>6,825</u>	<u>6,825</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	31/12/21	31/12/20
	£	£
Bank loans	<u>1,199,776</u>	<u>1,577,627</u>

The bank facilities are secured by way of a first legal charge on freehold/leasehold properties of the company.

The bank and building society and other lenders are holding personal guarantees totalling £1,254,013 (2020: ££1,498,784) from the director and a charge over some of the investment properties as security.

21. PROVISIONS FOR LIABILITIES

	31/12/21	31/12/20
	£	£
Deferred tax		
Fair value of investment property	<u>131,517</u>	<u>138,857</u>
	<u>131,517</u>	<u>138,857</u>
		Deferred tax
		£
Balance at 1 January 2021		138,857
Tax on fair value movement		(7,340)
Balance at 31 December 2021		<u>131,517</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/21 £	31/12/20 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising on winding up of the company.

23. RESERVES

	Profit and loss account £
At 1 January 2021	1,745,655
Deficit for the year	(599,397)
Dividends	<u>(70,000)</u>
At 31 December 2021	<u>1,076,258</u>

The retained earnings at the balance sheet date contains £394,552 (2020: £517,586) which is not distributable profits arising on revaluation of investment properties after provision for deferred taxation.

Called-up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

24. CONTINGENT LIABILITIES

As at 31 December 2021 the company's bankers had given guarantees to Airlines of £95,000 (2020: £120,000). The company in turn has signed counter indemnity to indemnify the bank.

25. RELATED PARTY DISCLOSURES

The shareholders own a 100% shareholdings in Lemon Properties Limited, Penn Investments Limited and		Fountain Street Developments Limited. The company received interest from them as follows:	
		31/12/21	31/12/20
£	£		
Lemon Properties Limited		8,728	13,663
Penn Investments Limited		7,274	nil
Fountain Street Developments Limited		<u>8,864</u>	<u>4,904</u>

26. ULTIMATE CONTROLLING PARTY

For the year ended 31 December 2021 and 31 December 2020:

The ultimate controlling party is Mr S Kripalani.

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.