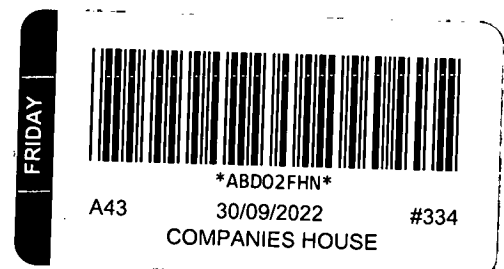


Blue Bay Travel Limited
REPORT AND FINANCIAL STATEMENTS
31 December 2021



Company Registration No. 05343019

Blue Bay Travel Limited

CONTENTS

DIRECTORS AND ADVISORS	1
DIRECTORS' REPORT	2
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS	4
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE BAY TRAVEL LIMITED	5
INCOME STATEMENT	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
ACCOUNTING POLICIES	11
NOTES TO THE FINANCIAL STATEMENTS	15

Blue Bay Travel Limited

DIRECTORS AND ADVISORS

DIRECTORS

SD Wilson
AM Rowland

REGISTERED OFFICE

Unit A4
Bellringer Road
Stoke-on-Trent
Staffordshire
ST4 8GB

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Blue Bay Travel Limited

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The principal activity and nature of operations of the Company during the year were that of a Travel Agent.

RESULTS AND DIVIDENDS

The results for the year are shown in the Income Statement on page 8, and show a trading loss for the year, after taxation, of £503,687 (2020: £481,034).

No final dividends have been paid or proposed (2020: £nil).

FUTURE DEVELOPMENTS

Having protected the workforce through the key Covid period, the business outlook for Blue Bay is strong. We are well placed in a market which is likely to grow quickly in 2022, having a full complement to ensure all areas are robust to support the growth, such as Customer Service, Sales, Promotions and Marketing.

Sales are expected to return to 2019 levels (the last normal year measured) by 2023, and our greater reach should show significant growth, such as the new B2B opportunities, a database which will commence 2022 25% greater in size, more focus on the most loyal clients with the Chairman's Club initiative, and the quality score of 4.9 on Trustpilot, all workstreams successfully adopted in 2021.

The growth of the self-employed agent community will continue in 2022 with 50 agents targeted by the year end who we will share commission with, sales from their own databases we would not have enjoyed.

In overall terms, our offer, fulfilment options and reach should lead to a period of significant growth, if Covid restrictions cease to allow normal trading both from the UK and in our destinations.

GOING CONCERN

The directors have considered the business activities and the current trading position of the Group together with the cash flow projections taking into account the likely impact of Covid19 on the Group. The directors have prepared cashflow forecasts for a period up to 31 Jul 2023 and performed an assessment for a further period covering 12 months from the date of signing these financial statements. They have utilised data from the 2020 and 2021 financial years to evaluate the expected impact of Covid19 over the next 12 month period. In preparing these cashflow forecasts, the directors have made certain assumptions including potential further cancellations due to international travel restrictions at individual destinations and the level of new bookings. The forecasts also include deferral of loan note interest payments as agreed by the holders.

When travel restrictions were imposed, actions were taken to reduce costs and protect the business. In 2020 the Group utilised the UK government's furlough scheme and significantly reduced marketing and other non-essential costs. The Group is funded through its cash reserves and long term loan notes held by the parent company which are not repayable within the forecast period.

Based on the Group's cashflow forecasts, the directors are satisfied the Group has adequate financial resources to operate for the foreseeable future. The Directors are confident in their response to the pandemic and will continue to adapt to any future changes in government guidance. Accordingly, the financial statements have been prepared on a going concern basis. Further details are included within the going concern paragraph in the Accounting Policies section.

Blue Bay Travel Limited

DIRECTORS' REPORT

DIRECTORS

The following directors have held office during the financial year:

SD Wilson
AM Rowland

AUDITOR

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

STATEMENT OF DISCLOSURE TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board

Alistair Rowland

AM Rowland
Director

29/09/22

Blue Bay Travel Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE BAY TRAVEL LIMITED

Opinion

We have audited the financial statements of Blue Bay Travel Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and 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 FRS 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE BAY TRAVEL LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE BAY TRAVEL LIMITED
(continued)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with regulatory authorities

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed over revenue recognition included but were not limited to substantive tests of detail, testing of transactions which do not follow the usual transaction flow, review of critical contracts and testing of transactions near period end.

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

Use of our report

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

Adam Krupski

ADAM KRUPSKI (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

30/09/22

Blue Bay Travel Limited
INCOME STATEMENT
for the year ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER		4,046,090	3,021,022
Cost of sales		(295,738)	(328,429)
		<hr/>	<hr/>
GROSS PROFIT		3,750,352	2,692,593
Administrative expenses		(4,474,704)	(3,709,460)
Other operating income	2	107,878	449,132
		<hr/>	<hr/>
OPERATING LOSS		(616,474)	(567,735)
Other interest receivable and similar income	3	1,278	2,861
Other interest payable and similar expenses	4	-	(2,022)
		<hr/>	<hr/>
LOSS BEFORE TAXATION	5	(615,196)	(566,896)
Tax on loss	9	111,509	85,862
		<hr/>	<hr/>
LOSS AFTER TAXATION AND LOSS FOR THE FINANCIAL YEAR		(503,687)	(481,034)
		<hr/>	<hr/>

Blue Bay Travel Limited
STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	80,579		75,497	
			80,579		75,497
CURRENT ASSETS					
Debtors	12	2,648,827		2,213,969	
Cash at bank and in hand		1,641,623		2,481,862	
		4,290,450		4,695,831	
CREDITORS: Amounts falling due within one year	13	(1,743,791)		(1,706,190)	
NET CURRENT ASSETS		2,546,659		2,989,641	
TOTAL ASSETS LESS CURRENT LIABILITIES		2,627,238		3,065,138	
PROVISIONS FOR LIABILITIES	14	(15,596)		-	
NET ASSETS		2,611,642		3,065,138	
CAPITAL AND RESERVES					
Called up share capital	15	30,100		30,100	
Capital contribution reserve		341,245		291,054	
Profit and loss account		2,240,297		2,743,984	
TOTAL EQUITY		2,611,642		3,065,138	

The financial statements on pages 8 to 21 were approved by the board of directors and authorised for issue on **29/09/22** and are signed on its behalf by:

Alistair Rowland

AM Rowland
Director

Company Registration No. 05343019

Blue Bay Travel Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Share capital	Profit and loss account	Capital contribution reserve	Total
	£	£	£	£
BALANCE AT 1 JANUARY 2020	30,100	3,225,018	247,087	3,502,205
Loss for the year	-	(481,034)	-	(481,034)
Share based payment	-	-	43,967	43,967
Total comprehensive expense for the year	-	(481,034)	43,967	(437,067)
BALANCE AT 31 DECEMBER 2020	30,100	2,743,984	291,054	3,065,138
Loss for the year	-	(503,687)	-	(503,687)
Share based payment	-	-	50,191	50,191
Total comprehensive expense for the year	-	(503,687)	50,191	(453,496)
BALANCE AT 31 DECEMBER 2021	30,100	2,240,297	341,245	2,611,642

Blue Bay Travel Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Blue Bay Travel Limited ("the Company") is a private Company limited by shares incorporated in England.

The registered office address of the Company is Unit A4, Bellringer Road, Stoke-on-Trent, Staffordshire, ST4 8GB.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated.

The financial statements of the Company are consolidated in the financial statements of Blue Bay Travel Group Limited. The consolidated financial statements of Blue Bay Travel Group Limited are available from its registered office, Unit A4, Bellringer Road, Stoke-on-Trent, Staffordshire, ST4 8GB.

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the Company will be able to continue to trade for the foreseeable future.

The Company operates in the travel industry which was adversely affected by the pandemic through lockdown measures and restrictions on international travel. The Company has continued to trade and operate throughout the Covid 19 pandemic. When travel restrictions were imposed, actions were taken to reduce costs and protect the business. The company has utilised the UK government's furlough scheme and significantly reduced marketing and other non-essential costs.

The directors have prepared cashflow forecasts for a period up to 31 Jul 2023 and performed an assessment for a further period covering 12 months from the date of signing these financial statements. The assumptions utilised within these forecasts include booking levels for the coming year, potential cancellations and planned additional expenditure in relation to investment for future growth. Management are confident that the Company can take relevant steps to ensure that adequate headroom is maintained if forecast booking levels are not achieved, including reducing planned expenditure and future investment.

The group is funded through its cash reserves and long term loan notes held by the parent company which are not repayable within the forecast period. The cash flow forecasts include deferral of loan note interest payments as agreed by the holders. Management have not highlighted the need for any additional external funding to the business.

As a consequence of the factors outlined above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements and therefore adopt the going concern basis of accounting in preparing the financial statements.

Blue Bay Travel Limited

ACCOUNTING POLICIES

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when the fair value was determined.

All translation differences are taken to profit or loss.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises the value of commissions (excluding VAT, similar taxes and trade discounts) on holiday bookings made. Revenue is recognised when bookings are confirmed, the point at which the Company becomes entitled to commission payment.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Blue Bay Travel Limited

ACCOUNTING POLICIES

INTANGIBLE FIXED ASSETS - GOODWILL

Goodwill representing the excess of the consideration for an acquired undertaking compared with the fair value of net assets acquired is capitalised and written off evenly over 10 years as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits.

RESEARCH AND DEVELOPMENT

All research and other development costs are written off as incurred.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost, net of depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Fixtures and fittings	-	20 - 33% straight line
Computer equipment	-	33% straight line

Residual value is calculated on prices prevailing at the reporting date after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors, group and other debtors

Trade debtors, group and other debtors which are receivable within one year are initially measured at the transaction price. Trade debtors, group and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Other creditors

Other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Blue Bay Travel Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

SHARE-BASED PAYMENTS

The Group grants share options ("equity-settled share-based payments") to certain employees.

Equity-settled

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

Group plans

The expense in relation to options over the Company's shares granted to employees of a subsidiary is recognised by the Company as equity-settled and shown as a capital contribution to the subsidiary by increasing the parent Company's investment.

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

RETIREMENT BENEFITS

Defined contribution plan

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

RESERVES

Profit and loss reserve

Cumulative profit and loss net of distributions to owners.

Capital contribution reserve

The cumulative share based payment expense.

Blue Bay Travel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

In preparing these financial statements, the directors have made the following estimates and judgements:

- The revenue recognition accounting treatment is considered by management including consideration of the risks and rewards of the transaction, legal title of the sale and the booking date.
- The directors have used a number of judgements in the calculation of the share based payment charge using the Black Scholes model. Management have utilised available financial data, along with expected vesting periods based on the Group's strategy and historic employee retention patterns.

2 OTHER INCOME

	2021 £	2020 £
Grant income	107,878	196,632
Other income	-	252,500
	<u>107,878</u>	<u>449,132</u>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Interest on bank deposits	-	2,861
HMRC interest receivable	724	-
Exchange gains	554	-
	<u>1,278</u>	<u>2,861</u>

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Exchange losses	-	1,784
HMRC interest payable	-	238
	<u>-</u>	<u>2,022</u>

Blue Bay Travel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

5 LOSS BEFORE TAXATION

Loss before taxation is stated after charging:	2021	2020
	£	£
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
Owned assets	25,403	29,100
Operating lease rentals:		
Plant and machinery	1,470	1,470
Land and buildings	82,000	66,274
Foreign exchange (gain)/loss	(554)	1,784
Research and development expenditure	60,000	70,811
	=====	=====
Auditor's remuneration	26,950	17,250
	=====	=====

6 EMPLOYEES

	2021	2020
	Number	Number
The average number of persons employed in the reporting period was:	102	91
	=====	=====
Staff costs for the above persons:	2021	2020
	£	£
Wages and salaries	2,278,398	1,990,193
Social security costs	205,792	145,879
Other pension costs	43,679	29,757
	=====	=====
	2,527,869	2,165,829
	=====	=====

Blue Bay Travel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

7 DIRECTOR'S REMUNERATION

In respect of the directors of Blue Bay Travel Limited:	2021	2020
	£	£
Remuneration	362,590	208,674
Company contributions to pension schemes	1,313	-
	363,903	208,674
The number of directors to whom retirement benefits are accruing under:	2021	2020
	Number	Number
- money purchase schemes was:	1	-

The highest paid director received remuneration of £211,305 (2020: £152,552) including pension contributions of £1,313 (2020: £nil).

The directors were remunerated through Blue Bay Travel Group Limited which then recharges the cost to the Company.

8 SHARE-BASED PAYMENTS

Equity-settled share options are granted at the average price of the Groups' shares at the grant date. The employee is entitled to exercise the share options on sale or listing of the Group (the "vesting period"). If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before they become entitled to exercise the share options. Further details of the share options are included within the Blue Bay Travel Group Limited financial statements.

Blue Bay Travel Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

9 TAXATION

	2021	2020
	£	£
Current tax:		
UK corporation tax on losses of the year	(116,755)	(59,794)
Adjustment in respect of previous periods	(20,608)	(3,407)
	<hr/>	<hr/>
Total current tax	(137,363)	(63,201)
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	1,977	(23,547)
Adjustment in respect of previous periods	20,608	(513)
Effect of tax rate change on opening balance	3,269	1,399
	<hr/>	<hr/>
Total deferred tax	25,854	(22,661)
	<hr/>	<hr/>
Tax on loss	(111,509)	(85,862)
	<hr/>	<hr/>

Factors affecting tax charge for the year:

The tax assessed for the year for the Company is higher (2020: higher) than the average standard rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Loss before tax	(615,196)	(566,896)
	<hr/>	<hr/>
Loss multiplied by the average standard rate of corporation tax in the UK 19% (2020: 19%)	(116,887)	(107,710)
	<hr/>	<hr/>
Effects of:		
Expenses not deductible for tax purposes	16,411	41,849
Research and development	(14,820)	(17,490)
Adjustments in respect of prior periods	-	(3,920)
Changes in tax rates	3,743	1,399
Other permanent differences	44	10
	<hr/>	<hr/>
Total tax credit for the year	(111,509)	(85,862)
	<hr/>	<hr/>

The standard rate of corporation tax in the United Kingdom for the year was 19% (2020: 19%). An increase in the UK corporation tax rate was announced in the 2021 Budget which would increase the rate to 25% from 1 April 2023. Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this increased rate. The rate change has been included in Finance Bill 2021 and was substantively enacted on 24 May 2021 and therefore deferred tax will be calculated using the 25% corporation tax rate. Deferred tax has therefore been provided at a rate of 25% (2020: 19%).

Blue Bay Travel Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

10 INTANGIBLE FIXED ASSETS

	Goodwill £
<i>Cost</i>	
At beginning and end of year	29,500
<i>Amortisation</i>	
At beginning and end of year	29,500
<i>Net book value</i>	
At 31 December 2021	-
At 31 December 2020	-

11 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>			
At beginning of year	98,220	164,632	262,852
Additions	14,634	15,851	30,485
At end of year	112,854	180,483	293,337
<i>Depreciation</i>			
At beginning of year	73,017	114,338	187,355
Charge for the year	5,292	20,111	25,403
At end of year	78,309	134,449	212,758
<i>Net book value</i>			
At 31 December 2021	34,545	46,034	80,579
At 31 December 2020	25,203	50,294	75,497

Blue Bay Travel Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

12 DEBTORS

	2021 £	2020 £
<i>Due within one year:</i>		
Trade debtors	123,253	7,839
Amounts owed by group undertakings	2,118,981	2,113,420
Prepayments and accrued income	158,007	82,452
Other debtors	50,000	-
Deferred tax asset	-	10,258
Corporation Tax	198,586	-
	<u>2,648,827</u>	<u>2,213,969</u>

13 CREDITORS: Amounts due within one year

	2021 £	2020 £
Trade creditors	1,130,861	987,860
Corporation tax	-	285
Other taxation and social security	177,255	328,151
Other creditors	435,675	389,894
	<u>1,743,791</u>	<u>1,706,190</u>

On 13 February 2017 the Company entered into a fixed and floating charge with LDC (Managers) Limited over the lease of the property at 4A Bellringer Road, Trentham, Stoke-on-Trent, ST4 8GB. The charge contains a negative pledge.

14 PROVISION FOR LIABILITIES

	Deferred tax £	
Asset at 1 January 2021		(10,258)
Charged to profit and loss account in year		25,854
		<hr/>
Liability at 31 December 2021		15,596
		<hr/> <hr/>
	2021	2020
	£	£
Difference between accumulated depreciation and capital allowances	16,350	10,350
Short term timing differences	(754)	-
Losses and other deductions	-	(20,608)
	<hr/>	<hr/>
	15,596	(10,258)

The deferred taxation liability is expected to reverse over the next 3-5 years and relates to accelerated capital allowances on fixed assets.

Blue Bay Travel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

15 CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Allotted, called up and fully paid: 30,100 ordinary shares of £1 each	30,100	30,100

16 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
<i>Amounts due:</i>		
Within one year	69,146	84,146
Between one and five years	19,308	88,454
	88,454	172,600

17 RELATED PARTY TRANSACTIONS

Purchases of £1,100 (2020: £720) were made from a business under control by directors of Blue Bay Travel Limited. At the year end £nil (2020: £nil) was owed by Blue Bay Travel Limited.

Purchases of £76,162 (2020: £57,998) have occurred in the year from companies and a pension scheme that are associated with Blue Bay Travel Limited due to being under common control. At the year end £75,996 (2020: £31,665) was owed by Blue Bay Travel Limited.

18 POST BALANCE SHEET EVENT

Income of £355,000 was received after the year end in relation to the settlement of an insurance claim for business interruption due to Covid-19.

As this income was not virtually certain at the year end the asset was not recognised. This income will be included in the 2022 financial statements.

19 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Blue Bay Travel Group Limited, a Company incorporated in the United Kingdom.

The smallest and largest set of financial statements into which these financial statements are consolidated is Blue Bay Travel Group Limited. A copy of the consolidated financial statements may be obtained from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ