

STEWART TRAVEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STEWART TRAVEL LIMITED

COMPANY INFORMATION

Directors	B Cassidy D Wilson R Green
Registered number	SC400502
Registered office	3rd Floor, Sterling House 20 Renfield Street Glasgow G2 5AP
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

STEWART TRAVEL LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Review of developments and future prospects

The directors present their report and the financial statements for the 12 month period ended 31 December 2021 (previous period was a 14 month period ended 31 December 2020) .

Total Transaction Value ("TTV") for the period is £69,336,810 (2020: £41,252,967). Gross Profit for the period is £6,780,254 (2020: £4,307,878) and EBITDA is a profit of £555,329 (2020: loss of £3,102,798). In December 2019, the company ceased to transact business through the Hays Independence Group and began operating on an entirely independent basis under direct licenses through the CAA, ABTA and IATA.

Period on period comparison of trading performance serves no credible purpose as the Covid-19 pandemic significantly adversely impacted both the 2021 financials and, to a greater extent, the 2020 financials. During 2021 the appetite for travel was very much dependent upon the public perception of the Covid risk; when things improved the business very much benefitted from the pent-up demand for travel only for the Covid risk to increase and again choke off the demand. Towards the end of the year, the underlying trends were very much positive.

With the improved Covid-19 outlook for the UK, and for those destinations to which the clients of the business generally travel, management is optimistic that the worst of the business impact of the pandemic is in the past. Whilst the travel industry has learned that it must remain pragmatic in dealing with the potential for Covid related travel restrictions management is nevertheless confident that 2022 will see an improved year over outturn relative to 2021.

STEWART TRAVEL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The Board meets regularly and evaluates the Company's risk position. The principal risks and uncertainties facing the Company are detailed below.

The operational risk is primarily reliance on supply from tour operators, hoteliers, airlines, and changes in general economic and other business conditions which may adversely affect demand for tourism products.

Liquidity risk – The Company maintains sufficient funds for operational liquidity. The Board considers liquidity risk at Board meetings through monitoring of cash levels and detailed cash flow forecasts. Funding to date has been obtained through operational activities and from parent company.

Foreign currency risk – The Company incurs limited purchases denominated in foreign currency. The Board considers foreign currency risk at Board meetings and directs an appropriate medium and longer term hedging strategy.

Interest rate risk – To the extent that non-operational finance is required it is organised through the parent company and accordingly no interest rate risk arises.

Management believe the Company can meet key business risks in respect of competition and employee retention.

Travel risk – Restrictions, or a loss of confidence, in travel as a result of international health issues such as Covid-19 (and in particular the continued issues surrounding the Covid-19 pandemic) pose a risk to the Company. When such issues arise, the Board actively monitor trends in the development of the particular issue, assess the likely impact in customer demand, and seek to maximise the offsetting impact of mitigating actions.

Geopolitical risk - restrictions, or a loss of confidence, in travel as a result of geopolitical tensions pose a risk to the confidence of the travelling public with an associated adverse impact on the Company. When such issues arise, the Board actively monitor trends in the development of the particular issue, assess the likely impact in customer demand, and seek to maximise the offsetting impact of mitigating actions.

Financial key performance indicators

The financial indicators of the company are:

	12 months ended 31 December 2021 £	14 months ended 31 December 2020 £	Variance %
Total Transaction Value	69,336,810	41,252,967	68
Gross profit	6,780,254	4,307,878	57
EBITDA (before management charges)	555,329	(3,102,798)	118

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' statement of compliance with duty to promote the success of the Company

This section describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its stakeholders as a whole. We consider the company's major stakeholders to be our customers, employees, suppliers, and shareholders.

Having regard to the likely consequences of any decision in the long term

The Board is mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed. Such assessment includes ensuring that the long-term outlook for developments in the travel market (in respect of product, method of distribution, key and growing suppliers) is at the forefront of long term strategic decisions.

Having regard to the interests of the Company's employees

The Company's senior management is very much open and available to the employees of the Company. This openness is supplemented by regular meetings with business unit managers that have a perpetual agenda item designed to encourage 360-degree information flow across the Company. The Board also host Q&A sessions with various employee Groups.

Having regard to the need to foster the Company's business relationships with customers, suppliers and others

The Company's marketing activities are focussed on products about which our clients wish to be informed and, where appropriate, on those products upon which our suppliers are focussing. At all times the operational requirements of suppliers are respected.

Having regard to the impact of the Company's operations on the community and the environment

The Company is very much a light touch operation in respect of the community and the environment but where appropriate community involvement is supported, and all environmental regulations are respected.

Having regard to the desirability of the Company to maintain a reputation for high standards of business conduct

The Board recognises the importance of operating a strong corporate governance framework and exercises strong oversight over the Company's activities in this respect.

This report was approved by the board on 28 March 2022 and signed on its behalf.

D Wilson
Director

STEWART TRAVEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activity

The Company is a limited company incorporated in Scotland. The principal activity of the Company in the period under review was that of a travel agent.

Results and dividends

The loss for the year, after taxation, amounted to £520,487 (2020 - loss £3,306,262).

During the year the company paid a dividend of £Nil (2020: £Nil).

Directors

The directors who served during the year were:

B Cassidy
D Wilson
R Green

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Employees and disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude without discrimination of any kind. Management actively pursue both the employment of disabled persons whenever suitable vacancies arise and the continued employment and retraining of employees who become disabled whilst employed by the Company.

The Company's policy is to consult and discuss with employees matters likely to affect employee's interests. Information on matters of concern to employees is given through information bulletins and face-to-face meetings with management. Information on the Company's performance is maintained through a regular newsletter and bi-annual conferences. The Performance and Development Review process ensure employees are made aware of their individual contribution to the business.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 March 2022 and signed on its behalf.

D Wilson

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEWART TRAVEL LIMITED

Opinion

We have audited the financial statements of Stewart Travel Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In 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.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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.

STEWART TRAVEL LIMITED

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

Auditors' responsibilities for the audit of the financial statements

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

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

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the Company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the Company's remuneration and bonus policies and performance targets; and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax and pension legislation and distributable profits legislation;
- the timing of the recognition of commercial income;
- management bias in selecting accounting policies and determining estimates; and
- recoverability of debtors.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;

- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the relevant controls during the year;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- review documentation relating to compliance with the regulations relating to health and safety including health and safety certificates; and fire assessment reports;
- challenging assumptions made by management in their specific accounting policies and estimates, in particular in relation to bad debt provision and customer rebate accruals;

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

- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue;
- assessing the recovery of debtors in the year since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- reviewing the correspondence with HMRC; and
- evaluating the underlying business reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

Shilen Manek (Senior Statutory Auditor)

for and on behalf of
Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

14th Floor
33 Cavendish Square
London
W1G 0PW

30 March 2022

STEWART TRAVEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		12 months ended 31 December 2021 £	14 months ended 31 December 2020 £
	Note		
Total Transaction Value	69,336,810	41,252,967	
Turnover	4	28,812,807	16,819,951
Cost of sales		(22,032,553)	(12,512,073)
Gross profit		6,780,254	4,307,878
Administrative expenses		(9,815,254)	(10,453,399)
Other operating income	5	3,025,744	2,297,037
Operating loss	6	(9,256)	(3,848,484)
Interest receivable and similar income	8	-	3,910
Interest payable and similar expenses	9	(132)	(8,742)
Loss before tax		(9,388)	(3,853,316)
Tax on loss	10	(511,099)	547,054
Loss for the financial year		(520,487)	(3,306,262)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 29 form part of these financial statements.

STEWART TRAVEL LIMITED
REGISTERED NUMBER: SC400502

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	4,544,872	4,831,778
Tangible assets	12	762,239	722,411
Investments	13	2,000	2,000
		<u>5,309,111</u>	<u>5,556,189</u>
Current assets			
Debtors: amounts falling due within one year	14	54,759,779	27,732,899
Cash at bank and in hand	15	4,392,952	3,267,879
		<u>59,152,731</u>	<u>31,000,778</u>
Creditors: amounts falling due within one year	16	(61,225,050)	(32,876,344)
		<u>(2,072,319)</u>	<u>(1,875,566)</u>
Net current liabilities		<u>(2,072,319)</u>	<u>(1,875,566)</u>
Total assets less current liabilities		3,236,792	3,680,623
Provisions for liabilities			
Deferred tax	17	(76,656)	-
		<u>(76,656)</u>	<u>-</u>
Net assets		<u><u>3,160,136</u></u>	<u><u>3,680,623</u></u>
Capital and reserves			
Called up share capital	18	2,974,525	2,974,525
Share premium account	19	884,715	884,715
Profit and loss account	19	(699,104)	(178,617)
		<u><u>3,160,136</u></u>	<u><u>3,680,623</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2022.

B Cassidy

Director

The notes on pages 13 to 29 form part of these financial statements.

STEWART TRAVEL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	2,974,525	884,715	(178,617)	3,680,623
Comprehensive income for the year				
Loss for the year	-	-	(520,487)	(520,487)
At 31 December 2021	<u>2,974,525</u>	<u>884,715</u>	<u>(699,104)</u>	<u>3,160,136</u>

The notes on pages 13 to 29 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2019	2,974,525	884,715	3,127,645	6,986,885
Comprehensive income for the period				
Loss for the period	-	-	(3,306,262)	(3,306,262)
At 31 December 2020	<u>2,974,525</u>	<u>884,715</u>	<u>(178,617)</u>	<u>3,680,623</u>

The notes on pages 13 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Stewart Travel Limited is a private company limited by shares and is incorporated in Scotland, registration number SC400502. The address of the registered office is 3rd Floor, Sterling House 20 Renfield Street, Glasgow, G2 5AP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Brooklyn Travel Holdings Limited as at 31 December 2021 and these financial statements may be obtained from 42 High Street, Northwood, Middlesex, United Kingdom, HA6 1BL.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on the Going Concern basis. Management has prepared detailed financial projections that stretch out for 21 months beyond the date of signing of these accounts that support the Going Concern basis of preparation. In these projections assumptions have been made as to when the negative impact on travel bookings of the Covid-19 Pandemic will begin to recede and when the generally perceived pent-up demand for travel will flow through to a booking level that would be regarded as normal. In this regard account has been taken of the successful and rapidly rolled out Covid-19 vaccination programme in the UK. Management is conscious that Covid-19 will continue to have an impact on the business for some time to come but, during the course of the past 24 months, has taken the necessary action to ensure that headroom is available in the financial projections should the trading assumptions therein prove to be insufficiently conservative. The relevant headroom has been generated through Governmental Assistance in the form of the Government Job Retention Scheme and individual location grants and strict controls on discretionary spend. On a group level, the parent company has been given a Coronavirus Large Business Interruption Loan and drawing down on a Revolving Credit Facility. The financial projections prepared to support the Going Concern basis do not show the need for further financial support such as that noted above though, should the Covid-19 Pandemic continue to significantly impact the general economy over the next 12 months, it is likely that some or all such support can be accessed in some form together with access to shareholder funds.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Where the Company acts as Principal in organising a client's holiday, the related total transaction value is accounted for as revenue.

Where the Company acts as Agent in organising a client's holiday, only the related commission or the difference between the sales to the client and the cost of the services purchased is accounted for as revenue and not the total transaction value.

In all instances, the Company recognises revenue on booking date.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

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

2.9 Interest income

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

2.10 Finance costs

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

2.11 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life.

Other 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 Tangible fixed assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	-	Over the term of the lease
Office equipment	-	3-5 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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.

2.17 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.

2.18 Creditors

Short-term 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.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

The preparation of the financial statements in accordance with generally accepted financial accounting principles requires the directors to make critical accounting estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The key estimates and assumptions that have a significant risk of causing material adjustments to the carrying value of assets and liabilities within the next financial year are goodwill, which has been assessed as per the note 11, the directors are of the opinion that the carrying value, based on discounted cash flows is recoverable and the estimated cancellation provision.

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	12 months ended 31 December 2021 £	14 months ended 31 December 2020 £
Commission sales as Agent	3,581,987	2,183,405
Sales as Principal without supply side commitment	25,230,820	14,636,546
	<u>28,812,807</u>	<u>16,819,951</u>

Analysis of turnover by country of departure:

	12 months ended 31 December 2021 £	14 months ended 31 December 2020 £
United Kingdom	28,812,807	16,819,951
	<u>28,812,807</u>	<u>16,819,951</u>

5. Other operating income

	12 Months ended 31 December 2021 £	14 Months ended 31 December 2020 £
Service charge receivable	1,423,926	45,690
Government Job Retention Scheme Claims	1,601,818	2,251,347
	<u>3,025,744</u>	<u>2,297,037</u>

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Operating profit

The operating profit is stated after charging:

	12 Months ended 31 December 2021 £	14 Months ended 31 December 2020 £
Tangible fixed assets - depreciation	183,331	163,441
Intangible fixed assets - amortisation	321,525	522,245
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	21,250	28,572
Operating lease rentals	<u>498,516</u>	<u>631,321</u>

7. Employees

Staff costs were as follows:

	12 Months ended 31 December 2021 £	14 Months ended 31 December 2020 £
Wages and salaries	6,411,086	6,555,328
Social security costs	543,934	533,168
Cost of defined contribution scheme	128,486	126,891
	<u>7,083,506</u>	<u>7,215,387</u>

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

	12 Months ended 31 December 2021 No.	14 months ended 31 December 2020 No.
Sales	164	180
Operations	61	70
Administrative	26	33
	<u>251</u>	<u>283</u>

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Interest receivable

	12 Months ended 31 December 2021 £	14 months ended 31 December 2020 £
Other interest receivable	-	3,910
	<u>-</u>	<u>3,910</u>

9. Interest payable and similar expenses

	12 Months ended 31 December 2021 £	14 months ended 31 December 2020 £
Bank interest payable	132	8,742
	<u>132</u>	<u>8,742</u>

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Taxation

	12 Months ended 31 December 2021 £	14 months ended 31 December 2020 £
Corporation tax		
Adjustments in respect of previous periods	-	(112,611)
	-	(112,611)
Total current tax	-	(112,611)
Deferred tax		
Origination and reversal of timing differences	511,099	(434,443)
Total deferred tax	511,099	(434,443)
Taxation on profit/(loss) on ordinary activities	511,099	(547,054)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	12 Months ended 31 December 2021 £	14 months ended 31 December 2020 £
Loss on ordinary activities before tax	<u>(9,388)</u>	<u>(3,853,316)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,784)	(732,130)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	58,235	63,421
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(3,047)	3,929
Depreciation for the year in excess of capital allowances	14,513	(3,599)
Adjustments to tax charge in respect of prior periods	-	(102,768)
Other timing differences leading to an increase (decrease) in taxation	-	(434,443)
Unrelieved tax losses carried forward	-	518,345
Utilised tax losses	13,421	-
Other differences leading to an increase (decrease) in the tax charge	5,319	-
Group relief	424,442	140,191
Total tax charge for the year/period	<u><u>511,099</u></u>	<u><u>(547,054)</u></u>

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2021	1,899,605	5,608,840	7,508,445
Additions	34,346	-	34,346
At 31 December 2021	1,933,951	5,608,840	7,542,791
Amortisation			
At 1 January 2021	1,770,655	906,012	2,676,667
Charge for the year on owned assets	35,143	286,109	321,252
At 31 December 2021	1,805,798	1,192,121	2,997,919
Net book value			
At 31 December 2021	<u>128,153</u>	<u>4,416,719</u>	<u>4,544,872</u>
At 31 December 2020	<u>128,950</u>	<u>4,702,828</u>	<u>4,831,778</u>

The individual intangible assets which are material to the financial statements are:

- Goodwill arisen on business combination with a net book value of £4,416,719 (2020 - £4,702,828) and remaining amortisation period of between 16 and 17 years.

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Leasehold improvements £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	807,845	263,125	1,070,970
Additions	168,270	54,891	223,161
Disposals	(104,426)	-	(104,426)
At 31 December 2021	871,689	318,016	1,189,705
Depreciation			
At 1 January 2021	265,406	83,153	348,559
Charge for the year on owned assets	126,578	56,755	183,333
Disposals	(104,426)	-	(104,426)
At 31 December 2021	287,558	139,908	427,466
Net book value			
At 31 December 2021	584,131	178,108	762,239
At 31 December 2020	542,439	179,972	722,411

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	2,000
At 31 December 2021	2,000

STEWART TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Stewart Travel Transport Limited	Scotland	Transport Brokerage	Ordinary	100 %

14. Debtors

	2021 £	2020 £
Trade debtors	53,439,090	25,800,267
Amounts owed by group undertakings	9,138	-
Other debtors	295,476	1,382,959
Prepayments and accrued income	1,016,075	115,230
Deferred taxation	-	434,443
	<u>54,759,779</u>	<u>27,732,899</u>

15. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	4,392,952	3,267,879
	<u>4,392,952</u>	<u>3,267,879</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	53,473,220	26,721,326
Amounts owed to group undertakings	4,964,176	3,807,324
Other taxation and social security	467,133	1,053,634
Other creditors	1,664,521	509,016
Accruals and deferred income	656,000	785,044
	<u>61,225,050</u>	<u>32,876,344</u>

STEWART TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Deferred taxation

	2021 £	2020 £
At beginning of year	434,443	-
Charged to profit or loss	(511,099)	434,443
At end of year	<u>(76,656)</u>	<u>434,443</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(84,316)	(67,557)
Tax losses carried forward	-	502,000
Pension surplus	7,660	-
	<u>(76,656)</u>	<u>434,443</u>

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2,974,525 (2020 - 2,974,525) Ordinary shares of £1.00 each	<u>2,974,525</u>	<u>2,974,525</u>

19. Reserves

Profit and loss account

The profit & loss account comprises the balance of distributable profits accumulated over the life of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Contingent liabilities

The Company has given a pledge over its share capital on Brooklyn Travel Limited's senior facilities given by the bankers.

The Company, together with its fellow group companies, has provided a guarantee over its assets to the Civil Aviation Authority to meet any future obligations and liabilities incurred by the group companies as ATOL license holders.

The Company has provided a cash bond of £135k to meet any future obligations from The Association of British Travel Agents (ABTA) when they arise.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the Company to the fund and amounted to £128,486 (2020: £126,891).

Contributions totalling £30,640 (2020: £24,837) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	510,810	485,008
Later than 1 year and not later than 5 years	1,549,183	1,464,063
Later than 5 years	466,121	313,214
	<u>2,526,114</u>	<u>2,262,285</u>

23. Related party transactions

The Company has taken advantage of the exemption available in FRS102 not to disclose transactions entered into between two or more members of a group, as the Company is a wholly owned subsidiary undertaking of the Group to which it is a party to the transactions.

STEWART TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Controlling party

The Company is a wholly owned subsidiary Brooklyn Travel Limited, and the indirect parent undertaking of the company is Brooklyn Travel Holdings Limited, which is the largest and smallest group to consolidate the Company's results. Both Companies have their registered office at 42 High Street, Northwood, Middlesex, United Kingdom, HA6 1BL.

The parent undertaking of Brooklyn Travel Holdings Limited is Zachary Asset Holdings Limited, a company incorporated in Jersey.

The ultimate controlling party of the group is the Haller family.

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