Registered number: 03145729

ALFA COACHES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ALFA COACHES LIMITED

COMPANY INFORMATION

Directors	E Russell D Howard S D Keely
Company secretary	S D Keely
Registered number	03145729
Registered office	Alfa Building Euxton Lane Euxton Chorley Lancashire PR7 6AF
Independent auditors	Xeinadin Audit Limited Chartered Accountants & Statutory Auditor Becket House 36 Old Jewry London EC2R 8DD
Accountants	Elman Wall Limited 8th Floor Becket House 36 Old Jewry London EC2R 8DD
Bankers	National Westminster Bank Plc 1 Spinningfields Square Manchester M3 3AP

ALFA COACHES LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Business review

The principal activity of the company is the operation of a coach fleet across the UK and Ireland.

Alfa Coaches Limited is part of the Alfa Leisureplex Group, which became majority employee owned in July 2015 and also includes the companies; Alfa Leisureplex Group Limited, Alfa Travel Limited, Leisureplex Hotels Limited and David Urquhart Holidays Limited. The Group's mission is to exceed customers' expectations in providing a memorable, high quality holiday experience, characterised by professional standards of service and a warm and friendly welcome.

Over 99% of Alfa Coaches revenue is generated from trading with Alfa Travel Limited, its parent company and David Urquhart Holidays Limited, another group company. Both companies provide a range of coach holidays and short breaks.

Financial highlights and key performance indicators

For the first time since the start of the Coronavirus pandemic in 2020, the business was operational for the full financial year, albeit some minor operating restrictions remained in place until April. The number of departures operated during the year increased significantly, up 26.9% on the previous year and also up 10.8% compared to 2019 (the last previous full year of trading pre-Covid). The business continues to benefit from significant growth in passenger numbers for its parent company Alfa Travel Limited, with changes in the market as a result of the pandemic contributing.

With increased revenue and tight control of costs, operating profit was up 42.8% on the previous year, despite the previous year benefitting from grants under the Coronavirus Job Retention Scheme. Operating profit was also up 33.1% compared to 2019.

Key risks and mitigating factors

Risk	Potential Impact	Mitigation
Operating costs may not be controlled	A reduction in profit may occur	Management information is used on a regular basis to manage the operating costs.
Vehicle utilisation may reduce	Profitability may reduce due to the relationship between vehicle utilisation and profit.	Utilisation is reviewed and controlled on a regular basis by management.
Driver availability may impact on vehicle utilisation	Profitability may reduce if driver availability impacts on vehicle utilisation.	Packages are reviewed annually. The Company's relatively unique position as an employee-owned business, enhances employee rewards and job security compared to its competitors.
Effect of the economy on the cost of supplies, especially diesel	Profitability may reduce if costs increase, especially as the product of the businesses main customers are marketed significantly in advance of departure.	The management team reviews the effect of the economy on costs on a regular basis.

Strategic review and future prospects

The business has emerged from the Coronavirus pandemic in a strong position and continues to grow its market share in the coach travel industry, with significant growth in the number of departures operated expected again in 2023. Cost pressures arising from the inflationary environment, affect supplies and will remain challenging, however the business is well placed due to the Group's pricing strategy to manage this.

The business agreed new banking facilities with National Westminster Bank Plc in July 2022 and is in compliance with agreed banking covenants.

The directors have a reasonable expectation that the company has adequate resources to continue and therefore the going concern basis has been adopted in preparing the annual report and accounts.

This report was approved by the board on 22 September 2023 and signed on its behalf.

....
E Russell
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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;
- 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 principal activity of the company is and continues to be the provision of coach travel.

Results and dividends

The profit for the year, after taxation, amounted to £2,370,035 (2021 - £1,595,079).

Ordinary dividends were paid amounting to £Nil (2021 - £1,000,000). The directors do not recommend payment of a further dividend.

Going concern

The business has emerged from the Coronavirus pandemic in a strong position and continues to grow its market share in the coach travel industry, with significant growth in passenger numbers expected again in 2023. Cost pressures arising from the inflationary environment, affect supplies and will remain challenging, however the business is well placed with its pricing strategy to manage this.

The business agreed new banking facilities with National Westminster Bank Plc in July 2022 and is in compliance with agreed banking covenants.

Directors

The directors who served during the year and up to the date the financial statements were signed were:

E Russell
D Howard
S D Keely (appointed 20 January 2022)
M Herbert (appointed 4 July 2022, resigned 5 August 2022)
C L Brown (resigned 24 February 2022)
P A Bull (resigned 30 June 2022)

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to cash flow interest rate risk on floating rate deposits and bank overdrafts. The board reviews the exposure to interest rate risk on a regular basis to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Credit risk

Investments of cash surpluses and borrowings are made through banks that are approved by the Board.

Customer terms are generally payment before the service is provided or managed via credit limits. Trade debtors are monitored on and ongoing basis and provision is made for doubtful debt as necessary.

Employee involvement

The Company is part of an employee owned group and the Trust operated on behalf of the employees is the majority shareholder. The Group operates a framework for employee information and consultation which complies with the requirement of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the Group has continued through employee emails, the employee newsletter and an employee app, in which the employee have been encouraged to present their suggestions. The Group undertakes an annual employee engagement survey and has an Employee Council Member structure in place to involve employees across the Group's diverse locations. Employees participate directly in the success of the Group as shareholders, via payment of an annual dividend.

Disabled persons

The group gives full consideration to applications for employment from candidates with a disability where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the role. Opportunities are available for employees with a disability for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Strategic report

The company has chosen in accordance with the Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the director's report. It has done so in respect of future developments.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors Indemnities

The Company maintained throughout the year and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

Disclosure of information to auditors

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

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

Auditors

The auditors, Xeinadin Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 September 2023 and signed on its behalf.

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E Russell
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFA COACHES LIMITED

Opinion

We have audited the financial statements of Alfa Coaches Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the Company's ability to continue as a going concern. We draw your attention to Note 2.3.

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

In auditing the financial statements, we have concluded that the 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 Group's or the parent 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 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFA COACHES LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;

- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;

- Reviewing minutes of meetings of those charged with governance;

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFA COACHES LIMITED (CONTINUED)

Karanjit Gill FCCA (Senior statutory auditor)

for and on behalf of
Xeinadin Audit Limited

Chartered Accountants & Statutory Auditor

Becket House
36 Old Jewry
London
EC2R 8DD

22 September 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	13,686,233	9,755,004
Cost of sales		(8,443,443)	(6,229,103)
Gross profit		5,242,790	3,525,901
Administrative expenses		(1,908,209)	(1,603,368)
Other operating income	5	5,426	415,188
Operating profit	6	3,340,007	2,337,721
Interest payable and similar expenses	10	(458,914)	(127,323)
Profit before tax		2,881,093	2,210,398
Tax on profit	11	(511,058)	(615,319)
Profit for the financial year		2,370,035	1,595,079

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		7,343,414		6,449,341
			7,343,414		6,449,341
Current assets					
Stocks	14	66,886		32,141	
Debtors: amounts falling due within one year	15	4,309,872		1,225,030	
Cash at bank and in hand	16	24,403		246,752	
		4,401,161		1,503,923	
Creditors: amounts falling due within one year	17	(2,338,688)		(1,912,841)	
Net current assets/(liabilities)			2,062,473		(408,918)
Total assets less current liabilities			9,405,887		6,040,423
Creditors: amounts falling due after more than one year	18		(1,947,157)		(1,400,150)
Provisions for liabilities					
Deferred tax	20	(1,177,758)		(729,336)	
			(1,177,758)		(729,336)
Net assets			6,280,972		3,910,937
Capital and reserves					
Called up share capital	21		2		2
Profit and loss account	22		6,280,970		3,910,935
			6,280,972		3,910,937

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2023.

....
E Russell
Director

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	2	3,315,856	3,315,858
Comprehensive income for the year			
Profit for the year	-	1,595,079	1,595,079
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,000,000)	(1,000,000)
Total transactions with owners	-	(1,000,000)	(1,000,000)
At 1 January 2022	2	3,910,935	3,910,937
Comprehensive income for the year			
Profit for the year	-	2,370,035	2,370,035
At 31 December 2022	2	6,280,970	6,280,972

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

1. General information

Alfa Coaches Limited is a private company, limited by shares incorporated in England and Wales. The registered office can be found on the company information page.

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).

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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Alfa Leisureplex Group Limited as at 31 December 2022 and these financial statements may be obtained from Alfa Building, Euxton Lane, Euxton, Chorley, PR7 6AF.

2.3 Going concern

In July 2022, the Group agreed new finance facilities with the National Westminster Bank Plc, consisting of a 5 year loan facility and an annual overdraft facility. The Group remains in compliance with its banking covenants.

The Group entered the pandemic with a strong balance sheet, which has been substantially repaired as a result of the strong trading performance over the last two years. The Group's fixed asset base continues to provide sufficient security to continue to secure finance facilities.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Turnover

Turnover represents the gross value of coach hire and other related services.Turnover is recognised at point of departure and the full cost of departures is included within cost of sales.

2. Accounting policies (continued)

2.5 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

During the previous year the Company benefited from taking advantage of government support in the form of the Coronavirus Job Retention Scheme (CJRS) and local government support (see note 5).

2.7 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.

2.8 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.9 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 reporting 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 reporting 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 reporting date.

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	5%
Plant and machinery	-	25%
Motor vehicles	-	25%
Fixtures and fittings	-	10%
Coaches	-	8%

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. Accounting policies (continued)

2.11 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Impairment of fixed assets

At each reporting end date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss recognised in the statement of comprehensive income account.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 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.

2.15 Cash and cash equivalents

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

2.16 Creditors

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. Accounting policies (continued)

2.17 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 reporting 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 Statement of financial position.

2.18 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 that 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, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2. Accounting policies (continued)

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

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

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

Critical judgements

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Depreciation

in determining the appropriate depreciation rates for the Company's assets, management reviews the operating policies of the business and makes judgements as to the applicable useful economic lives of the assets, considering residual values and based on historical experience.

4. Turnover

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

	2022	2021
	£	£
Coach tours to the United Kingdom and Republic of Ireland	13,686,233	9,755,004
	13,686,233	9,755,004

5. Other operating income

	2022	2021
	£	£
Government grants receivable - Coronavirus Job Retention Scheme	-	400,788
Local government grants receivable	5,426	14,400
	5,426	415,188

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of owned tangible fixed assets	369,365	397,529
Depreciation of tangible fixed assets under finance leases	479,722	456,836
(Profit)/ Loss on disposal of tangible assets	67,740	-
Operating lease charges	23,067	23,067

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	5,625	5,625

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	2,591,656	2,173,598
Social security costs	251,467	185,029
Cost of defined contribution scheme	54,556	45,586
	2,897,679	2,404,213

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

	2022	2021
	No.	No.
Drivers, Interchange, Administrative	104	96
Management	7	7
	111	103

9. Directors' remuneration (including amounts paid by other group companies)

	2022	2021
	£	£
Remuneration for qualifying services	467,479	461,710
Company pension contributions to defined contribution schemes	28,819	24,267
	496,298	485,977

During the period retirement benefits were accruing to 6 directors in respect of defined contribution pension schemes.

Directors are appointed to provide services to all group companies. Accordingly, the above details include the aggregate of directors' remuneration paid across the group for their services to all group companies.

The highest paid director received remuneration of £126,024 (2021: £114,318) and Pension contributions to defined contribution schemes of £18,810 (2021; £12,678).

10. Interest payable and similar expenses

	2022 £	2021 £
Loans from group undertakings	354,350	59,129
Finance leases and hire purchase contracts	104,564	68,194
	458,914	127,323

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	62,636	431,894
	62,636	431,894
Total current tax	62,636	431,894
Deferred tax		
Origination and reversal of timing differences	448,422	11,032
Effect of tax rate change on opening balance	-	172,393
Total deferred tax	448,422	183,425
Taxation on profit on ordinary activities	511,058	615,319

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	2,881,093	2,210,398
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	547,408	419,976
Effects of:		
Fixed asset differences	(127,821)	(1,440)
Other timing differences leading to an increase (decrease) in taxation	-	977
Movement in deferred tax not recognised	(21,250)	20,765
Remeasurement of deferred tax for changes in tax rates	112,721	175,041
Total tax charge for the year	511,058	615,319

11. Taxation (continued)

Factors that may affect future tax charges

In March 2021, the Chancellor in the Budget Statement announced an increase in the tax rate of corporation tax from 19% to 25% with effect from 1 April 2023. Deferred tax has therefore been re-measured at 25% in the previous year

12. Dividends

	2022	2021
	£	£
Dividends paid	-	1,000,000
	-	1,000,000

13. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Coaches	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2022	340,031	655,048	10,084,612	211,723	11,291,414
Additions	-	33,203	2,262,239	6,277	2,301,719
Disposals	-	-	(1,550,065)	(126,472)	(1,676,537)
At 31 December 2022	340,031	688,251	10,796,786	91,528	11,916,596
Depreciation					
At 1 January 2022	255,024	612,763	3,793,915	180,371	4,842,073
Charge for the year on owned assets	17,001	20,626	369,365	8,692	415,684
Charge for the year on financed assets	-	-	479,722	-	479,722
Disposals	-	-	(1,037,825)	(126,472)	(1,164,297)
At 31 December 2022	272,025	633,389	3,605,177	62,591	4,573,182
Net book value					
At 31 December 2022	68,006	54,862	7,191,609	28,937	7,343,414
At 31 December 2021	85,007	42,285	6,290,697	31,352	6,449,341

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Coaches	5,302,954	5,513,581
	5,302,954	5,513,581

Depreciation charge for the year in respect of leased assets £479,722 (2021: £456,836)

14. Stocks

	2022 £	2021 £
Fuel	66,886	32,141
	66,886	32,141

15. Debtors

	2022 £	2021 £
Trade debtors	2,303	2,577
Amounts owed by group undertakings	4,062,240	1,026,515
VAT recoverable	159,501	124,366
Prepayments and accrued income	76,028	62,172
Loans and other receivables	9,800	9,400
	4,309,872	1,225,030

Amounts due from group undertakings include unsecured loans, which are repayable on demand, with interest charged at 3% above the Bank of England and unsecured trading balances, which are repayable on demand and non interest bearing. Please refer to note 26.

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	24,403	246,752
	24,403	246,752

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	140,400	147,451
Amounts owed to group undertakings	-	2,225
Corporation tax	57,000	258,201
Other taxation and social security	63,215	59,763
Obligations under finance lease and hire purchase contracts	1,274,202	905,098
Other creditors	46,893	24,543
Accruals and deferred income	756,978	515,560
	2,338,688	1,912,841

The obligations under finance leases are secured on the assets to which they relate.

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

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	1,947,157	1,400,150
	1,947,157	1,400,150

The obligations under finance leases are secured on the assets to which they relate.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022	2021
	£	£
Within one year	1,274,202	905,098
Between 1-5 years	1,947,157	1,400,150
	3,221,359	2,305,248

Finance lease payments represent rentals payable by the company for certain vehicles. all leases are on fixed repayment basis and no arrangements have been entered into on a contingent basis. No restrictions are placed on the use of the assets. The average lease term is 5 years.

20. Deferred taxation

	2022
	£
At beginning of year	(729,336)
Charged to profit or loss	(448,422)
At end of year	(1,177,758)

In March 2021, the Chancellor in the Budget Statement announced an increase in the tax rate of corporation tax from 19% to 25% with effect from 1 April 2023. Deferred tax has therefore been re-measured at 25% in the previous year.

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	(1,187,207)	(733,142)
Short term timing differences	9,449	3,806
	(1,177,758)	(729,336)

21. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
2 (2021 - 2) Ordinary shares of £1.00 each	2	2

22. Reserves

Profit and loss account

The profit and loss account includes all current and prior periods retained profit.

23. Financial commitments, guarantees and contingent liabilities

The company has entered into a guarantee and set off arrangement in the favour of National Westminster Bank Plc, with Alfa Travel Limited, Leisureplex Hotels Limited, David Urquhart Holidays Limited and Alfa Leisureplex Group Limited. The company has also entered into an unlimited debenture in favour of National Westminster Bank Plc secured by way of a fixed and floating charge over the assets of the company. The total group exposure under these guarantees at the year end was £9,066,312 (2021: £7,629,705).

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £54,556 (2021: £45,586) . Contributions totalling £46,143 (2021: £22,558) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	23,067	23,067
Later than 1 year and not later than 5 years	5,767	28,834
	28,834	51,901

26. Related party transactions

The company has taken advantage of the disclosure exemption conferred in FRS102 section 33 in that transactions entered into between two or more members of the group are not disclosed, provided that any subsidiary with is a party to the transaction is wholly owned by such a member.

At the year end, following balances were receivable/ payable from group members-

Receivable

	Loan	Trade	Balance
	£	£	£
Alfa Travel Limited	(13,515,807)	16,542,655	3,026,848
David Urquhart Holidays Limited	-	750,839	750,839
Alfa Leisureplex Group Limited	285,136	(5,552)	279,584
Leisureplex Hotels Limited	-	4,969	4,969
	(13,230,671)	17,292,911	4,062,240

The remuneration of key management is disclosed in note 9 regarding, Director's remuneration. The amounts exclude Employer's National Insurance contributions.

27. Controlling party

The company is wholly owned by Alfa Leisureplex Group Limited and its results are consolidated into the group financial statements, copies of which are available from its registered office: Alfa Building, Euxton Lane, Euxton, Chorley, Lancashire, PR7 6AF.

The ultimate controlling party is the Alfa Leisureplex Employee Ownership Trust.

The immediate parent company is Alfa Travel Limited.