
KENWOOD TRAVEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

KENWOOD TRAVEL LIMITED

COMPANY INFORMATION

Directors	G Koumi B Collins
Company secretary	E Santos
Registered number	01300261
Registered office	5-8 Moorgate House Dysart Street London EC2A 2BX
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

KENWOOD TRAVEL LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Independent Auditors' Report	6 - 10
Income Statement	11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Analysis of Net Debt	16
Notes to the Financial Statements	17 - 28

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

Introduction

The directors present their strategic report for the year ended 31 March 2021

Section 172 (1) Statement

The information provided below is intended to explain how the directors considered the interests of the Company's key stakeholders and the broader matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the Company under section 172 of the Companies Act 2006.

Business review

The results for the year and the financial position of the Company are shown in the financial statements on pages 11 to 28. The Company has been adversely affected by the Covid-19 outbreak which was declared a pandemic on 11 March 2020. Since then, events moved rapidly and are still constantly changing. Management has set up arrangements within the organisation to monitor, plan and respond pro-actively to the continuously changing situation. However, the safety of our customers and employees is the highest priority. With the UK population vaccination programme and improved testing progressing successfully the current crisis is expected to ease in the UK. Management has taken all necessary action on discretionary expenditure and to minimise overhead.

Management is of the opinion that the Company's cost structure is low and scalable for both downsize and upsize requirements.

Key performance indicators

The Company continues monitoring KPIs in respect of turnover, gross profit and profit before tax.

Covid-19 response

The Covid-19 pandemic has been an unprecedented challenge for all travel market participants, including the Company, its employees, customers and other business partners. The Company's top priority has been and continues to be the protection of the health and safety of its employees, customers and business partners. The directors monitor and follow government and industry advice in relation to all operations.

Travel regulatory bodies

The Company holds an ATOL granted by the CAA which falls due for renewal in September 2021.

Principal risks and uncertainties

The risk factors described below are those which the directors believe are potentially significant but should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties facing the Company.

Covid-19:

Due to the Covid-19 global pandemic, travel in the UK and to the rest of the world are currently restricted and have strict distancing and quarantine rules in place. However, the positive news is that the UK is already in the middle of a very successful vaccination programme with over 70% of the population already vaccinated and a significant number having received their second dose.

KENWOOD TRAVEL LIMITED

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

Regulatory risk:

The Company is exposed to various regulators, including the Civil Aviation Authority ("CAA"), which issues an Air

Travel Organisers Licence ("ATOL"), which is required in order for the Company to operate. This licence is renewed in September each year and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA website (www.caa.co.uk).

Geo-political events and natural disasters:

The nature of the business operation exposes the Company to a wide range of Geo-political and natural disasters. To counter this the Company operates a flexible business model with the ability to shift capacity amongst a variety of destinations where necessary.

Commercial relationships:

The Company has well established and close relationships with customers and suppliers and the risk is spread by not placing over-reliance on any one supplier in any particular area. However, if a relationship were lost or damaged with a major supplier this could have a detrimental effect on the business. The management team meets regularly with suppliers to maintain good working relationships and to understand the suppliers financial position.

Information technology:

The Company is heavily reliant upon information technology. Investment is being made to ensure the Company has advanced and efficient systems in place, but there is a risk if there were a major failure - particularly if it were to affect selling systems. Procedures are in place to minimise the time a selling system is unavailable in the event of such failure.

Commercial risks:

The Company's trading performance can be affected by environmental factors, which include

- acts of terrorism, particularly in key tourist destinations:
- natural disasters in key tourist destinations:
- weather conditions, both in the UK and in key tourist destinations:
- health epidemics in key tourist destinations and the UK:
- increases in government taxes in both UK and overseas:
- wars or other international incidents which affect air or sea travel:

Financial key performance indicators

The key performance indicators used by the directors to monitor the progress of the Company are set out below.

	2021	2020
	£	£
Turnover	6,643,858	68,157,402
Gross profit	955,897	7,679,386
Gross profit margin %	14.38%	11.27%
Profit/(loss) before tax	<u>(1,063,169)</u>	<u>640,327</u>

KENWOOD TRAVEL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

This report was approved by the board on 12 August 2021 and signed on its behalf.

G Koumi
Director

KENWOOD TRAVEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Principal activity

The Company's principal activity during the year continued to be that of a tour operator.

Results and dividends

The loss for the year, after taxation, amounted to £754,023 (2020 - profit £511,771).

Interim dividends of £250,000 were paid during the year.

Directors

The directors who served during the year were:

G Koumi
B Collins

KENWOOD TRAVEL LIMITED

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

Future developments

In early 2020, the worldwide spread of a strain of novel coronavirus (Covid-19) resulted in various governments imposing restrictions on travel, resulting in virtually no travel.

As the pandemic has progressed, travel operations continue to be adversely impacted in 2021. If travel restrictions continue for an extended period, or travel demand is significantly impacted for an extended period, it would have a material adverse effect on Company's business, financial condition and results of operations.

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, except for the continuation of the Coronavirus pandemic, which has had a significant impact upon the industry in which the Company operates, as described in note 2.2.

Auditors

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 August 2021 and signed on its behalf.

G Koumi
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENWOOD TRAVEL LIMITED

Opinion

We have audited the financial statements of Kenwood Travel Limited (the 'Company') for the year ended 31 March 2021, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, 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 March 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.

The impact of uncertainties due to Covid-19 on our audit

Uncertainties related to the effects of Covid-19 are relevant to understanding our audit of the statements. All audits assess and challenge the reasonableness of estimates made by the directors, as recoverability of investments, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future environment and the company's future prospects and performance.

The Covid-19 pandemic has had an unprecedented impact upon the worldwide economy and in particular upon the travel industry, with many consumers cancelling or delaying travel plans as a result. At the date of this report,

the full range of possible effects upon travel companies cannot be estimated or assessed due to the current levels of uncertainty around government and consumer responses to what might happen.

We applied a standard firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. No audit should be expected to predict the unknown factors or all possible future implications for a company and this is particularly the case in relation to Covid-19.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

KENWOOD TRAVEL LIMITED

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENWOOD 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:

- We exercise professional judgement and maintain professional scepticism throughout the audit;
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the deliberate override of internal control;
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- We assess the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- We review the scope of the Company's compliance with its regulator, the Civil Aviation Authority ("CAA"), its membership of The Association of British Travel Agents ("ABTA") and its accreditation with the International Air Transport Association ("IATA") and sample test relevant documentation to assess this and the effectiveness of its control environment;
- We review the Company's relationships with related parties, identifying and disclosing transactions during the year and balances at year-end with such parties;
- We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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.

KENWOOD TRAVEL LIMITED

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

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.

Ms N A Spoor ACA FCCA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

12 August 2021

KENWOOD TRAVEL LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	6,643,858	68,157,402
Cost of sales		(5,687,961)	(60,478,016)
Gross profit		955,897	7,679,386
Distribution costs		(165,094)	(2,325,442)
Administrative expenses		(2,954,525)	(4,860,668)
Other operating income	5	956,073	-
Operating (loss)/profit	6	(1,207,649)	493,276
Interest receivable and similar income	10	106,000	147,051
Unrealised gains on revaluation of listed investments	15	38,480	-
(Loss)/profit before tax		(1,063,169)	640,327
Tax on (loss)/profit	11	309,146	(128,556)
(Loss)/profit for the financial year		(754,023)	511,771

The notes on pages 17 to 28 form part of these financial statements.

KENWOOD TRAVEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
(Loss)/profit for the financial year		(754,023)	511,771
Other comprehensive income			
Total comprehensive income for the year		<u>(754,023)</u>	<u>511,771</u>

The notes on pages 17 to 28 form part of these financial statements.

KENWOOD TRAVEL LIMITED
REGISTERED NUMBER: 01300261

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	<i>As restated</i> 2020 £
Fixed assets			
Tangible assets	13	58,030	68,800
		58,030	68,800
Current assets			
Debtors: amounts falling due within one year	14	3,340,871	4,679,485
Current asset investments	15	1,038,480	1,000,000
Cash at bank and in hand	16	14,084,243	18,303,695
		18,463,594	23,983,180
Creditors: amounts falling due within one year	17	(12,859,093)	(17,385,426)
Net current assets		5,604,501	6,597,754
Total assets less current liabilities		5,662,531	6,666,554
Net assets		5,662,531	6,666,554
Capital and reserves			
Called up share capital	18	90,000	90,000
Capital redemption reserve	19	6,429	6,429
Profit and loss account	19	5,566,102	6,570,125
		5,662,531	6,666,554

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 August 2021.

G Koumi
Director

The notes on pages 17 to 28 form part of these financial statements.

KENWOOD TRAVEL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	90,000	6,429	6,558,354	6,654,783
Comprehensive income for the year				
Profit for the year	-	-	511,771	511,771
Total comprehensive income for the year	-	-	511,771	511,771
Dividends: Equity capital	-	-	(500,000)	(500,000)
Total transactions with owners	-	-	(500,000)	(500,000)
At 1 April 2020	90,000	6,429	6,570,125	6,666,554
Comprehensive income for the year				
Loss for the year	-	-	(754,023)	(754,023)
Total comprehensive income for the year	-	-	(754,023)	(754,023)
Dividends: Equity capital	-	-	(250,000)	(250,000)
Total transactions with owners	-	-	(250,000)	(250,000)
At 31 March 2021	90,000	6,429	5,566,102	5,662,531

The notes on pages 17 to 28 form part of these financial statements.

KENWOOD TRAVEL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(754,023)	511,771
Adjustments for:		
Depreciation of tangible assets	10,938	13,234
Loss on disposal of tangible assets	-	1,969
Coronavirus (Covid-19) business support grants	(956,073)	-
Interest received	(106,000)	(147,051)
Taxation charge	(309,146)	128,556
Decrease in debtors	1,497,456	25,374,375
(Decrease) in creditors	(4,605,042)	(26,144,127)
Net fair value losses recognised in P&L	190,533	-
Corporation tax received/(paid)	-	(210,000)
Net cash generated from operating activities	(5,031,357)	(471,273)
Cash flows from investing activities		
Purchase of tangible fixed assets	(168)	(18,016)
Coronavirus (Covid-19) business support grants	956,073	-
Purchase of fixed asset investments	-	(1,000,000)
Interest received	106,000	147,051
Net cash from investing activities	1,061,905	(870,965)
Cash flows from financing activities		
Dividends paid	(250,000)	(500,000)
Net cash used in financing activities	(250,000)	(500,000)
Net (decrease) in cash and cash equivalents	(4,219,452)	(1,842,238)
Cash and cash equivalents at beginning of year	18,303,695	20,145,933
Cash and cash equivalents at the end of year	14,084,243	18,303,695
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	14,084,243	18,303,695
	14,084,243	18,303,695

The notes on pages 17 to 28 form part of these financial statements.

KENWOOD TRAVEL LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020	Cash flows	Other non-cash changes	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	18,303,695	(4,219,452)	-	14,084,243
Debt due within 1 year	-	-	(5,624)	(5,624)
Liquid investments	134,072	-	(134,072)	-
	<u>18,437,767</u>	<u>(4,219,452)</u>	<u>(139,696)</u>	<u>14,078,619</u>

The notes on pages 17 to 28 form part of these financial statements.

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

1. General information

Kenwood Travel Limited is a private company limited by shares, domiciled in England and Wales, registration number 01300261. The registered office is 5-8 Moorgate House, Dysart Street, London, EC2A 2BX.

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 Going concern

The current Covid-19 pandemic has had an unprecedented impact upon the global economy and in particular upon the travel, leisure and hospitality industry.

Additionally, with the majority of consumers no longer seeking to book holidays until the global situation stabilises, many travel companies are struggling to cope with greatly reduced cash flows. The directors have taken immediate steps to review the Company's financial position, downgraded its forecasts and planned mitigation actions in order to neutralise the financial impact from the significant

downturn in trading. The directors have also performed a sensitivity analysis to assess the financial impact of a further slowdown in trading from the reforecast and its impact on the liquidity of the business.

The directors have carefully considered all aspects of the Company's finances including preparing detailed budgets incorporating cashflows to ensure that the Company has sufficient financial resources to operate throughout the next 12 months.

Given the Company's substantial historic cash reserves retention and minimal overheads, even under the downside scenario of restrictions continuing beyond Summer 2021, the directors are confident that the Company will have sufficient funds and cash reserves to continue to meet liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 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.

Turnover is recognised on the date of departure basis.

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

2. Accounting policies (continued)

2.4 Balance sheet restatement

Comparative figures have been restated in relation to the following areas of financials:

- 1) Trade debtors and trade creditors
- 2) Deferred revenue and deferred cost of sales

There is no effect on the comprehensive income report. The Company's income recognition policy for both current and comparative years remain consistent as departure date. Historically, however, the trade debtors and trade creditors were stated on a booked date basis. Deferred revenue and future costs were also stated on this basis.

With the changed financial position at the year end, due to Covid-19, it was decided to revert to the usual manner of disclosure for such a tour operator. Therefore, the balance sheet is based on departure basis and the comparatives reflected in the same way.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

2.6 Interest income

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

2.7 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.

2.8 Taxation

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.

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

2. Accounting policies (continued)

2.9 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
Fixtures and fittings	-	10%

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.

2.10 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.

2.11 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 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.

2.13 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

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

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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 Income Statement.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.14 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

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

a) Critical judgments in applying the Company's accounting policies

The directors believe that there are no critical judgments involved in applying the Company's accounting policies that warrant disclosure.

b) Key accounting estimates and assumptions

The directors believe that there are no key accounting estimates and assumptions involved in applying the

Company's accounting policies that warrant disclosure.

KENWOOD TRAVEL LIMITED

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

4. Turnover

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

	2021 £	2020 £
Tour operator	6,643,858	68,157,402
	6,643,858	68,157,402

	2021 £	2020 £
United Kingdom	6,643,858	68,157,402
	6,643,858	68,157,402

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Coronavirus (Covid-19) business support grants	956,073	-
	956,073	-

6. Operating (loss)/profit

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

	2021 £	2020 £
Depreciation	10,938	13,234
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	15,000	28,500
Other operating lease rentals	207,145	223,586
Defined contribution pension scheme	48,279	71,388

KENWOOD TRAVEL LIMITED

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

7. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>15,000</u>	<u>28,500</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	1,823,192	2,554,463
Social security costs	171,886	275,125
Cost of defined contribution scheme	48,279	71,388
	<u>2,043,357</u>	<u>2,900,976</u>

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

	2021	2020
	No.	No.
Management	2	2
Sales	23	27
Administrative	37	43
	<u>62</u>	<u>72</u>

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	6,000	6,000
Company contributions to defined contribution pension schemes	14,000	-
	<u>20,000</u>	<u>6,000</u>

During the year retirement benefits were accruing to 1 director (2020 - NIL) in respect of defined contribution pension schemes.

KENWOOD TRAVEL LIMITED

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

10. Interest receivable

	2021 £	2020 £
Other interest receivable	106,000	147,051
	<u>106,000</u>	<u>147,051</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(309,146)	128,556
	<u>(309,146)</u>	<u>128,556</u>
Total current tax	<u>(309,146)</u>	<u>128,556</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(309,146)</u>	<u>128,556</u>

KENWOOD TRAVEL LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(1,063,169)</u>	<u>640,327</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(202,002)	121,662
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	7,704
Capital allowances for year in excess of depreciation	1,825	(1,169)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(108,969)	-
Other differences leading to an increase (decrease) in the tax charge	-	359
Total tax charge for the year	<u><u>(309,146)</u></u>	<u><u>128,556</u></u>

Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2021, was substantively enacted on 24 May 2021, whereby the tax rate applicable for years starting from 1 April 2023 increased to 25% from current tax rate of 19%.

12. Dividends

	2021 £	2020 £
Interim dividends paid	<u>250,000</u>	<u>500,000</u>
	<u><u>250,000</u></u>	<u><u>500,000</u></u>

KENWOOD TRAVEL LIMITED

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

13. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2020	107,157	67,925	175,082
Additions	168	-	168
At 31 March 2021	<u>107,325</u>	<u>67,925</u>	<u>175,250</u>
Depreciation			
At 1 April 2020	66,918	39,364	106,282
Charge for the year on owned assets	8,082	2,856	10,938
At 31 March 2021	<u>75,000</u>	<u>42,220</u>	<u>117,220</u>
Net book value			
At 31 March 2021	<u>32,325</u>	<u>25,705</u>	<u>58,030</u>
<i>At 31 March 2020</i>	<u>40,239</u>	<u>28,561</u>	<u>68,800</u>

KENWOOD TRAVEL LIMITED

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

14. Debtors

	2021 £	<i>As restated</i> 2020 £
Trade debtors	131,905	97,464
Other debtors	346,236	92,315
Prepayments and accrued income	2,862,730	4,355,634
Financial instruments	-	134,072
	3,340,871	4,679,485

Included in prepayments and accrued income is the sum of £2,779,826 (2020: £4,180,531) of supplier payments made in advance for departures post 31 March 2021 (Refer accounting policy note 2.4).

15. Current asset investments

	2021 £	2020 £
Listed investments	1,000,000	1,000,000
Listed investments - Fair value revaluations	38,480	-
	1,038,480	1,000,000

The investment comprises of a portfolio of shares and securities stated at market value.

The market value of investments at the balance sheet date was in excess of its original cost.

Gains and losses on investments' valuations movements are reflected through the profit and loss account.

Investments are held by St. James's Place Wealth Management who revalued them as at 31 March 2021.

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	14,084,243	18,303,695
	14,084,243	18,303,695

KENWOOD TRAVEL LIMITED

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

17. Creditors: Amounts falling due within one year

	2021	<i>As restated</i> 2020
	£	£
Trade creditors	578,800	220,045
Corporation tax	-	16,056
Other taxation and social security	39,472	65,200
Other creditors	47,167	83,013
Accruals and deferred income	12,098,293	17,001,112
Financial instruments	95,361	-
	<u>12,859,093</u>	<u>17,385,426</u>

Included in accruals and deferred income is the sum of £12,065,952 (2020: £16,795,584) of customer monies received in advance for departures post 31 March 2021 (Refer accounting policy note 2.4).

18. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
90,000 (2020 - 90,000) Ordinary shares shares of £1.00 each	<u>90,000</u>	<u>90,000</u>

19. Reserves

Capital redemption reserve

Capital redemption reserve represents the nominal value of shares repurchased by the Company.

Profit and loss account

The profit and loss account represents the net distributable reserves of the Company at the date of the statement of financial position.

20. Contingent liabilities

At 31 March 2021, there were contingent liabilities outstanding in respect of counter indemnities given by the Company, in the normal course of business, to the Company's bond insurance obligors in respect of ABTA travel bonds amounting to £44,000.

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

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £48,279 (2020: £71,388). Outstanding contributions amounted to £ 5,624 (2020: £ 10,467) at the year end.

22. Related party transactions

Choice Vacations Limited - Mr Brett Collins a director and a shareholder, is also a director and shareholder of Choice Vacations Limited. Choice Vacations Limited was paid consultancy fees amounting to £108,661 (2020: £579,260). Amount due to the related party at 31 March 2021 £ Nil (2020: £247,600), shown in creditors due within one year.

Rivington Secretarial Services - Mr George Koumi a director and a shareholder, is also a owner of Rivington Secretarial Services. Rivington Secretarial Services was paid rent for the office premises amounting to £199,935 (2020: £ 234,585). Amount due to the related party at 31 March 2021 £ Nil (2020: £2,480), shown in creditors due within one year.

Mr George Koumi - Mr George Koumi was also paid consultancy fees amounting to £85,000 (2020: £75,000). Amount due to the related party £ Nil (2020: £75,000), shown in creditors due within one year.

23. BSP outstanding

As at 31st March 2021 the Company had £99,299 of refunds due from International Air Transport Association (IATA) for tickets cancelled in the month of March 2021.

24. Controlling party

The ultimate controlling party is Mr G Koumi, a director of the Company, by virtue of his 63.10% ownership of the issued share capital of the Company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.