

GRAY DAWES TRAVEL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

GRAY DAWES TRAVEL LIMITED

COMPANY INFORMATION

Directors	The Right Hon. Earl of Inchcape Viscount F J K Glenapp S H Horner M J Bor Hon. J Mackay
Company secretary	R Allardice
Registered number	00904769
Registered office	The Octagon 27 Middleborough Colchester Essex CO1 1RA
Independent auditors	Xeinadin Audit Limited t/a Elman Wall Chartered Accountants & Statutory Auditor 8th Floor Becket House 36 Old Jewry London EC2R 8DD
Accountants	Elman Wall Limited 8th Floor Becket House 36 Old Jewry London EC2R 8DD

GRAY DAWES TRAVEL LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 32

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Introduction

The directors present their Strategic Report for year ended 31 March 2022.

Business review

The travel industry continued to be adversely affected by the continuing restrictions arising from the Coronavirus pandemic. The rollout in the UK and elsewhere of the vaccine programme and the subsequent easing of restrictions saw an increase in travel demand in the second half of the year. The Company developed additional resources to monitor travel restrictions on a local and global level. By regularly updating the client base during lockdown and thereafter the Company has been successful in assisting clients' staff safely returning to travel. The Company staff, many of whom had been on furlough until the end of Job Retention Scheme, have re-engaged successfully with the business and have helped deliver effective travel management services to the clients. Volumes by the end of the year were approaching 50% of pre pandemic levels. Topline sales were 6 times greater than in the previous year but still only represented one third of what would have been expected in "normal" trading conditions.

The group structure is being simplified with the trading activity and net assets of all subsidiary companies having been transferred to the Company during the year.

Principal risks and uncertainties

Effective customer service

In an environment when the rate of return to trading has been difficult to predict and sporadic, emphasis has been placed on the training and availability of staff to support clients' travel requirements. This resulted in a slight excess in staff in the first months following the end of the Job Retention Scheme but there is now a much greater balance between supply and demand and the Company has restarted recruitment to ensure staff resources continue to be appropriate to the level of increasing client demand.

On an ongoing basis the main risk to our business is loss of access to systems and data. This has been mitigated by a disaster recovery plan and the ability to move staff, calls and emails between the main office locations if required.

The diversity of the client base across the group has increased with acquisition meaning a smaller percentage of clients operate within any one sector, thereby reducing reliance on a specific sector and allowing the Company to more closely track the economy as a whole.

Credit risk attributable to trade debtors is managed by running credit checks on new clients, tracking changes to scores for existing clients and monitoring adherence to agreed credit terms.

Financial key performance indicators

The normal indicators relating to trading volumes and activity have been superseded in the year by the requirement to maintain liquidity and funding.

The level of cash balances are monitored daily and the level and maturity of available bank funding have been optimised to ensure adequate resources are available to support the business until trading returns to a cash generating position.

Other key performance indicators

The effective dataflow from booking platforms to back office accounting records is monitored daily to ensure timely billing of clients to minimise the working capital cycle.

GRAY DAWES TRAVEL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

S H Horner
Director

Date: 28 September 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

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

Results and dividends

The profit for the year, after taxation, amounted to £2,931,784 (2021 - loss £5,044,568).

The directors have recommended a dividend amounting to £nil (2021: £nil) for the financial year.

Directors

The directors who served during the year were:

The Right Hon. Earl of Inchcape
Viscount F J K Glenapp
S H Horner
M J Bor
Hon. J Mackay

Future developments

We continue to search for opportunities to acquire similar travel agency businesses to build on the successes so far, as well as focussing on organic growth via new and existing clients.

The board of directors maintain very close contact to the business with the Inchcape Family fully supporting future plans both commercially and financially.

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

Engagement with employees

The Company has had a staff consultative committee in place for a number of years and this group meets regularly, the group is tasked with developing policy recommendations in relation to staff involvement and benefits and passes any other recommendations to management as they arise, representatives are drawn from all areas of the business. On a quarterly basis members of the senior management team deliver business performance updates to the staff in all locations. In the current Coronavirus environment, much of the communication has, of necessity, been virtual but the content has been maintained and in some instances enhanced. Senior management have provided regular business updates to staff (active and furloughed), developed non-business activities to encourage the engagement of furloughed staff and have sought staff input into plans for assisting in the minimising of costs. Staff are remunerated through a combination of salary and incentives linked to individual and group performance.

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

The directors have concluded that no material events have occurred since the date of approval of these financial statements that would affect the financial statements of the company.

Auditors

On 18 March 2022, Elman Wall Limited transferred its audit business to Xeinadin Audit Limited, which was appointed auditors in succession and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

S H Horner
Director

Date: 28 September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAY DAWES TRAVEL LIMITED

Opinion

We have audited the financial statements of Gray Dawes Travel Limited (the 'Company') for the year ended 31 March 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 March 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.

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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

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 non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Yasin Khandwalla FCCA (Senior Statutory Auditor)

for and on behalf of

Xeinadin Audit Limited t/a Elman Wall

Chartered Accountants

Statutory Auditor

8th Floor

Becket House

36 Old Jewry

London

EC2R 8DD

28 September 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Total transactional turnover		38,983,350	6,308,140
Turnover	4	6,211,284	2,293,879
Gross profit		<u>6,211,284</u>	<u>2,293,879</u>
Administrative expenses		(6,739,378)	(4,789,321)
Other operating income	5	614,199	1,847,890
Operating profit/(loss)	6	<u>86,105</u>	<u>(647,552)</u>
Income from shares in group undertakings		4,328,335	-
Amounts written off investments		(1,347,648)	(4,599,042)
Interest payable and similar expenses	10	(88,144)	(126,245)
Profit/(loss) before tax		<u>2,978,648</u>	<u>(5,372,839)</u>
Tax on profit/(loss)	11	(46,864)	328,271
Profit/(loss) for the year		<u><u>2,931,784</u></u>	<u><u>(5,044,568)</u></u>

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 12 to 32 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	2,065,662	2,419,336
Tangible assets	13	162,432	158,051
Investments	14	11,153,477	11,324,018
		<u>13,381,571</u>	<u>13,901,405</u>
Current assets			
Debtors: amounts falling due within one year	15	11,718,357	6,482,136
Cash at bank and in hand	16	5,165,843	3,119,785
		<u>16,884,200</u>	<u>9,601,921</u>
Creditors: amounts falling due within one year	17	(15,423,136)	(11,624,524)
Net current assets/(liabilities)		<u>1,461,064</u>	<u>(2,022,603)</u>
Total assets less current liabilities		<u>14,842,635</u>	<u>11,878,802</u>
Creditors: amounts falling due after more than one year	18	(10,594,595)	(10,562,546)
Net assets		<u><u>4,248,040</u></u>	<u><u>1,316,256</u></u>
Capital and reserves			
Called up share capital	23	150,000	150,000
Profit And Loss Account	24	4,098,040	1,166,256
		<u><u>4,248,040</u></u>	<u><u>1,316,256</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S H Horner
 Director

Date: 28 September 2022

The notes on pages 12 to 32 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	150,000	6,210,824	6,360,824
Comprehensive income for the year			
Loss for the year	-	(5,044,568)	(5,044,568)
At 1 April 2021	150,000	1,166,256	1,316,256
Comprehensive income for the year			
Profit for the year	-	2,931,784	2,931,784
At 31 March 2022	<u>150,000</u>	<u>4,098,040</u>	<u>4,248,040</u>

The notes on pages 12 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. **General information**

Gray Dawes Travel Limited is a private company limited by shares incorporated in England and Wales, United Kingdom.

The address of the registered company is given on the Company Information page of these financial statements.

The principal activity of the Company continued to be that of travel and expense management for corporate clients and individuals.

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 judgement in applying the Company's accounting policies (see note 3).

2.2 **Exemptions for qualifying entities under FRS 102**

The Company has taken advantage of the following exemptions on the basis that the equivalent disclosures are included in the consolidated financial statements of the group in which the Company is consolidated:

Cash flow statement

Under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and its parent company, Inchcape Family Estates Limited, includes the Company's cash flows in its own consolidated financial statements.

Key management personnel

Under FRS 102 paragraph 1.12(e) from disclosing the key management personnel in the Company on the basis that it is a qualifying entity and its parent company, Inchcape Family Estates Limited, includes this disclosure in its own consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

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

The Company is a wholly owned subsidiary of Inchcape Family Estates Limited and a 79.59% owned subsidiary of its ultimate parent undertaking Castle Street Nominees Limited. It is included in the consolidated financial statements of Inchcape Family Estates Limited which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

2.4 Going concern

As at the date of approval of these financial statements, the impact of Covid-19 on the Company's trading continues to diminish and is being monitored by the directors. The Company is trading profitably on a monthly basis.

The Company has a net current assets position of £1,461,064 and net assets of £4,248,040 as at 31 March 2022 and generated a profit of £2,931,784.

Based on the strength of the balance sheet, the current trading levels and continued support from Inchcape Family Estates Limited the directors are confident that the company, will have sufficient funds and cash reserves to continue to meet its 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.

2.5 Turnover

Turnover represents amounts earned during the year from transaction fees, management fees, commissions receivable and other income in accordance with contractual arrangement, exclusive of Value Added Tax.

Turnover is recognised in the financial statements when there is reasonable certainty income is earned.

2.6 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 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 following methods.

Depreciation is provided on the following basis:

Long-term leasehold property	-	Over the term of the lease
Improvements to property	-	Over the term of the lease
Plant and machinery	-	3 - 5 years
Motor vehicles	-	Over the term of the lease
Fixtures and fittings	-	15% reducing balance
Office equipment	-	15% reducing balance; 2-10 years Straight line

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

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

2.8 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.

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 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.

2.12 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.

2.13 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.

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.

2.14 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.

2.15 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. During the year government support in the form of the coronavirus job retention scheme and business rates grant was received (Note 5).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.16 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.17 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.

2.18 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.21 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.22 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.

2.23 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Judgements 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 amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are recognised to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Deferred consideration;

In formulating a provision for the estimated value of deferred consideration that will subsequently be paid, management makes judgements that are based on profit variations of acquired companies.

(ii) Useful economic lives of tangible assets;

The annual depreciation charge for tangible assets is sensitive to due the material nature of the value of fixed assets. The depreciation rates are reviewed annually to ensure they are appropriate for the type of

asset. Assets are reviewed for impairment on an annual basis.

(iii) Revenue recognition;

The company recognises revenue based on the date of booking and non-refundable booking fees, which in the directors' judgement, is the most appropriate revenue base as this matches the point at which the service is performed. The directors use their judgement to determine a fair direct cost associated to the revenue recognised.

Key sources of estimation uncertainty

The directors are of the view that there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

4. Turnover

The whole of the turnover is attributable to travel and expense management for corporate clients and individuals.

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Other operating income

	2022 £	2021 £
Coronavirus job retention scheme	599,199	1,792,890
Business rate grant	15,000	55,000
	<u>614,199</u>	<u>1,847,890</u>

6. Operating profit/(loss)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	64,759	75,552
Exchange differences	2,210	-
Other operating lease rentals	164,520	167,813
Amortisation of intangible assets, including goodwill	357,885	381,524
Defined contribution pension cost	<u>144,554</u>	<u>127,870</u>

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>34,913</u>	<u>24,803</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Employees

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

	2022 £	2021 £
Wages and salaries	4,359,388	4,092,354
Social security costs	389,765	391,055
Cost of defined contribution scheme	144,554	127,870
	<u>4,893,707</u>	<u>4,611,279</u>

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

	2022 No.	2021 No.
Administrative staff	34	46
Directors and Management staff	10	10
Sales staff	63	80
	<u>107</u>	<u>136</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	574,662	231,659
Company contributions to defined contribution pension schemes	6,917	6,917
	<u>581,579</u>	<u>238,576</u>

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £529,662 (2021 - £191,459).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,567 (2021 - £5,567).

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	<u>88,144</u>	<u>126,245</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	55,202	(310,935)
	<u>55,202</u>	<u>(310,935)</u>
Total current tax	55,202	(310,935)
Deferred tax		
Origination and reversal of timing differences	(8,338)	(17,336)
Total deferred tax	<u>(8,338)</u>	<u>(17,336)</u>
Taxation on profit/(loss) on ordinary activities	<u>46,864</u>	<u>(328,271)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>2,978,648</u>	<u>(5,372,839)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	565,943	(147,021)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	258,456	7,427
Capital allowances for year in excess of depreciation	(19,614)	74,463
Income not taxable for tax purposes	(606)	-
Exempt ABGH distributions	(822,384)	-
Adjustments to tax charge in respect of prior periods	55,202	(310,935)
Losses carried back	-	47,639
Deferred tax not recognised	101,201	156
Remeasurement of deferred tax for change in tax rates	(30,450)	-
Group relief	(73,703)	-
Other tax adjustments, reliefs and transfers	12,819	-
Total tax charge for the year	<u>46,864</u>	<u>(328,271)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Intangible assets

	Goodwill £
Cost	
At 1 April 2021	3,656,999
Additions	4,211
At 31 March 2022	<u>3,661,210</u>
Amortisation	
At 1 April 2021	1,237,663
Charge for the year on owned assets	357,885
At 31 March 2022	<u>1,595,548</u>
Net book value	
At 31 March 2022	<u>2,065,662</u>
At 31 March 2021	<u>2,419,336</u>

GRAY DAWES TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Tangible fixed assets

	Long-term leasehold property	Improvements to property	Plant and machinery	Motor vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2021	-	74,697	190,516	50,421	-	-	315,634
Additions	-	25,812	-	-	-	-	25,812
Transfers intra group	125,950	-	42,830	-	62,632	86,131	317,543
Disposals	-	-	-	(50,421)	-	-	(50,421)
At 31 March 2022	125,950	100,509	233,346	-	62,632	86,131	608,568
Depreciation							
At 1 April 2021	-	33,006	106,816	17,761	-	-	157,583
Charge for the year on owned assets	-	17,978	34,176	-	-	-	52,154
Charge for the year on financed assets	-	-	-	12,605	-	-	12,605
Transfers intra group	71,950	-	42,813	-	53,266	86,131	254,160
Disposals	-	-	-	(30,366)	-	-	(30,366)
At 31 March 2022	71,950	50,984	183,805	-	53,266	86,131	446,136
Net book value							
At 31 March 2022	<u>54,000</u>	<u>49,525</u>	<u>49,541</u>	<u>-</u>	<u>9,366</u>	<u>-</u>	<u>162,432</u>
At 31 March 2021	<u>-</u>	<u>41,691</u>	<u>83,700</u>	<u>32,660</u>	<u>-</u>	<u>-</u>	<u>158,051</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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
	£	£
Motor vehicles	-	32,660
	<u>-</u>	<u>32,660</u>
	<u>-</u>	<u>32,660</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2021	15,922,774	286	15,923,060
Amounts written off	(19,999)	-	(19,999)
Transfers intra group	1,197,106	-	1,197,106
At 31 March 2022	<u>17,099,881</u>	<u>286</u>	<u>17,100,167</u>
Impairment			
At 1 April 2021	4,599,042	-	4,599,042
Charge for the period	1,347,648	-	1,347,648
At 31 March 2022	<u>5,946,690</u>	<u>-</u>	<u>5,946,690</u>
Net book value			
At 31 March 2022	<u>11,153,191</u>	<u>286</u>	<u>11,153,477</u>
At 31 March 2021	<u>11,323,732</u>	<u>286</u>	<u>11,324,018</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Gray Dawes (Jersey) Limited		49.9
The Business Travel Partnership Limited*	Ordinary	%
Chiswick Investments Limited*	Ordinary	%
BTP Group Limited	Ordinary	%
Amethyst Corporate Enterprises Limited	Ordinary	%
Travel Focus Limited**	Ordinary	%
Travel Management Group Plc	Ordinary	%
Gray Dawes Holidays Limited (previously known as Worldfarer World Limited) ***	Ordinary	%
Giles Travel Limited	Ordinary	%
CTM Travel Management Limited	Ordinary	%
Travel By Amber Road Limited	Ordinary	%
Amber Road Hotels Limited ****	Ordinary	%

Amber Road Travel Limited ****

Ordinary	%
	100
Ordinary	%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Debtors

	2022 £	2021 £
Trade debtors	7,114,278	1,162,660
Amounts owed by group undertakings	3,928,487	4,684,812
Other debtors	206,710	351,617
Prepayments and accrued income	443,208	265,711
Deferred taxation	25,674	17,336
	<u>11,718,357</u>	<u>6,482,136</u>

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	5,165,843	3,119,785
	<u>5,165,843</u>	<u>3,119,785</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	2,114,305	600,000
Trade creditors	10,918,551	1,586,982
Amounts owed to group undertakings	-	8,012,903
Other taxation and social security	254,049	154,189
Obligations under finance lease and hire purchase contracts	-	6,933
Other creditors	251,465	520,901
Accruals and deferred income	1,884,766	742,616
	<u>15,423,136</u>	<u>11,624,524</u>

The Company made a payment totalling £5,122,878 in April 2022 to settle the year end balance payable to IATA.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022	2021
	£	£
Bank loans	5,285,695	7,400,000
Net obligations under finance leases and hire purchase contracts	-	29,271
Amounts owed to group undertakings	5,308,900	3,133,275
	<u>10,594,595</u>	<u>10,562,546</u>

Secured loans:

The Company entered into a loan facility during the year for £7,400,000, repayable over a term of 3 year 6 months, attracting an interest rate of 2.5% over base rate. At the year end, balance of £7,400,000 is payable.

During year ending 31st March 2021, the Company entered into a loan facility, of £3,000,000, repayable over a 3 year term, attracting an interest rate of 2.85% above base rate. During the year the loan was repaid in full.

During year ending 31st March 2021 the Company secured a loan of £5,000,000 through a Coronavirus Business Interruption Loan Scheme. The loan is guaranteed by the UK government. During the year the loan was repaid in full.

Legal charges and securities:

The Company has a bank overdraft facility of £2,500,000, repayable on demand. To secure the bank overdraft facility and loan facility detailed above, the Company have entered into a Composite Company Limited Multilateral Guarantee with HSBC Bank Plc, dated 29 March 2021. At the year end the utilisation of the facility was £nil (2021: £nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	2,114,305	600,000
	<u>2,114,305</u>	<u>600,000</u>
Amounts falling due 1-2 years		
Bank loans	2,114,286	2,200,000
	<u>2,114,286</u>	<u>2,200,000</u>
Amounts falling due 2-5 years		
Bank loans	3,171,409	4,200,000
	<u>3,171,409</u>	<u>4,200,000</u>
Amounts falling due after more than 5 years		
Bank loans	-	1,000,000
	<u>-</u>	<u>1,000,000</u>
	<u>7,400,000</u>	<u>8,000,000</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	-	5,719
Between 1-5 years	-	34,998
	<u>-</u>	<u>40,717</u>

Hire purchase agreement was terminated during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	5,166,129	3,120,071
Financial assets that are debt instruments measured at amortised cost	11,692,683	6,464,800
	<u>16,858,812</u>	<u>9,584,871</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>25,570,911</u>	<u>22,032,881</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and unlisted investments.

Financial assets measured at amortised cost comprise trade debtors, amounts owed to group undertakings, prepayments and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, bank overdrafts, trade creditors, amounts owed to group undertakings, obligations under hire purchase contracts, other creditors and accruals.

22. Deferred taxation

	2022 £	2021 £
At beginning of year	17,336	-
Charged to profit or loss	8,338	17,336
At end of year	<u>25,674</u>	<u>17,336</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	17,336
Short term timing differences	25,674	-
	<u>25,674</u>	<u>17,336</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
150,000 (2021 - 150,000) Ordinary shares of £1.00 each	<u>150,000</u>	<u>150,000</u>

24. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

25. Contingent liabilities

A contingent consideration had been included within the accounts which relates to the acquisition of Travel by Amber Road Limited, Giles Travel Limited and the trade of INC Travel. This liability had been extinguished at the year end (2021:£386,052).

The company currently holds an Air Travel Organisers' License ('ATOL') issued by the Civil Aviation Authority ('CAA') and is an accredited agent of the International Air Transport Association ('IATA'). As at 31 March 2022, there were no contingent liabilities, in the normal course of business, in respect of CAA or IATA bonds.

26. 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 £144,554 (2021: £127,870). Contributions totalling £57,074 (2021: £20,931) were payable to the fund at the balance sheet date and included within other creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

27. Commitments under operating leases

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

	2022 £	2021 £
Land and Buildings		
Not later than 1 year	308,492	188,561
Later than 1 year and not later than 5 years	1,208,644	622,687
Later than 5 years	667,983	566,580
	<u>2,185,119</u>	<u>1,377,828</u>
	2022 £	2021 £
Other		
Not later than 1 year	15,866	15,866
Later than 1 year and not later than 5 years	23,122	38,988
	<u>38,988</u>	<u>54,854</u>

28. Related party transactions

The Company has taken advantage of the exemption to disclose related party transactions with companies that are wholly owned within the Group.

During the year, the Company paid £3,640 (2021: £916) to J Horner, spouse of S Horner in relation to repair work.

the Company received management fee income of £Nil (2021: £41,710) from Gray Dawes (Jersey) Limited. At the year end, the Company owed Gray Dawes (Jersey) Limited £Nil (2021: £Nil).

There were no other transactions with related parties.

29. Post balance sheet events

The directors have concluded that no material events have occurred since the date of approval of these financial statements that would affect the financial statements of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

30. Controlling party

The immediate parent undertaking is Inchcape Family Estates Limited.

The ultimate parent company is Castle Street Nominees Limited.

The largest group to consolidate these financial statements is Inchcape Family Estates Limited. Copies of the consolidated financial statements can be obtained from the Company Secretary at 25 St Thomas Street, Winchester, S023 9HJ.

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