

Company Registration No. 01300261 (England and Wales)

**KENWOOD TRAVEL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# KENWOOD TRAVEL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G Koumi B Collins
<b>Secretary</b>	E Santos
<b>Company number</b>	01300261
<b>Registered office</b>	5-8 Moorgate House Dysart Street London EC2A 2BX
<b>Auditor</b>	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB

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# KENWOOD TRAVEL LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 22

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# **KENWOOD TRAVEL LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2020***

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The directors present the strategic report for the year ended 31 March 2020.

### **Directors' Duties**

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

### *Directors' Duties*

The directors of Kenwood Travel take into consideration the consequences of any decisions or actions taken to ensure the long term trading of the Company.

### *Employees*

It is the Company's policy to ensure that its employees are kept informed of all matters which affect them in order to understand the Company's aims and performance and to provide regular training to improve business efficiency for the benefit of its employees.

### *Business Relationships*

The Company maintains an established and positive relationship with its suppliers and customers.

### *Community and Environment*

The Company considers very seriously the impact of its operations on the community and the environment.

### *Reputation*

The Company aims to maintain a high level of service to its clients and maintain a good relationship with its business partners. It is regarded highly in the travel industry.

### *Stakeholders*

The Company considers that it has acted fairly in its decisions which may affect its shareholders and members of the Company.

### **Fair review of the business**

The directors report a decrease in turnover of 6%. However, they expect to maintain the Company's market share in 2021.

The directors are happy with the Company's performance, in the light of the exceptional circumstances that occurred during the year, despite the slight decrease in turnover. The new online booking system has helped reduce costs and improve efficiency which has resulted in a greater number of web bookings.

The Company is a key player in providing luxury tailor made holidays to the USA, Caribbean, Middle East, Far East, Indian Ocean and more recently Europe which has seen substantial growth.

# KENWOOD TRAVEL LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### Principal risks and uncertainties

The company's principal financial instruments comprise of bank balances and deposits, trade creditors and payments received in advance. The main purpose of these instruments is to raise funds for the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk and foreign exchange risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of short-term and long-term deposit accounts.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

The company reduces its exposure to adverse foreign exchange rate movements by acquiring and exercising foreign currency options.

The company has been exposed to the uncertainties surrounding Brexit and more recently the effects of COVID-19 pandemic. The Company has taken swift action to re-protect its clients affected by the pandemic and to safeguard its operations during the downturn in the UK's economy due to COVID-19. The company has also made use of the government incentives available and working from home arrangements to ensure the future viability of the company. The Company continues to closely monitor the situation.

### Key performance indicators

The key financial highlights are as follows:

	2020	2019
	£	£
Turnover	68,157,402	73,041,767
Gross profit	7,679,388	8,121,408
Gross profit margin %	11.27%	11.12%
Profit before tax	640,329	1,616,887

On behalf of the board

G Koumi

**Director**

28 August 2020

# KENWOOD TRAVEL LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their annual report and financial statements for the year ended 31 March 2020.

### **Principal activities**

The principal activity of the company continued to be that of a tour operator.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Koumi

B Collins

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary interim dividends were paid amounting to £500,000 (2019 - £200,000). The directors do not recommend payment of a final dividend.

### **Business relationships**

The Company maintains an established and positive relationship with its suppliers and customers.

### **Future developments**

The company will continue to provide tour operator services and the Directors expect to maintain the Company's market share during the year to March 2021.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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.

### **Strategic report**

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

## **KENWOOD TRAVEL LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

G Koumi  
**Director**

28 August 2020

# **KENWOOD TRAVEL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENWOOD TRAVEL LIMITED**

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### **Opinion**

We have audited the financial statements of Kenwood Travel Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

# KENWOOD TRAVEL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KENWOOD TRAVEL LIMITED

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### 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 and the directors' report.

We have nothing to report in respect of the following matters where 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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

**Sarah Wilson FCA (Senior Statutory Auditor)**  
for and on behalf of Arram Berlyn Gardner LLP

16 September 2020

**Chartered Accountants**  
**Statutory Auditor**

30 City Road  
London  
EC1Y 2AB

## KENWOOD TRAVEL LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

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	Notes	2020 £	2019 £
Turnover	3	68,157,402	73,041,767
Cost of sales		(60,478,014)	(64,920,359)
<b>Gross profit</b>		<u>7,679,388</u>	<u>8,121,408</u>
Administrative expenses		(7,186,110)	(6,601,039)
<b>Operating profit</b>	4	<u>493,278</u>	<u>1,520,369</u>
Interest receivable and similar income	8	147,051	96,518
<b>Profit before taxation</b>		<u>640,329</u>	<u>1,616,887</u>
Tax on profit	9	(128,556)	(307,500)
<b>Profit for the financial year</b>		<u><u>511,773</u></u>	<u><u>1,309,387</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

# KENWOOD TRAVEL LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		68,800		65,987
Investments	12		1,000,000		-
			<u>1,068,800</u>		<u>65,987</u>
<b>Current assets</b>					
Debtors	14	26,762,356		52,136,731	
Cash at bank and in hand		18,304,175		20,145,933	
		<u>45,066,531</u>		<u>72,282,664</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(33,896,377)</u>		<u>(65,693,870)</u>	
<b>Net current assets</b>			<u>11,170,154</u>		<u>6,588,794</u>
<b>Total assets less current liabilities</b>			<u>12,238,954</u>		<u>6,654,781</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(5,572,400)</u>		<u>-</u>
<b>Net assets</b>			<u><u>6,666,554</u></u>		<u><u>6,654,781</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		90,000		90,000
Capital redemption reserve	19		6,429		6,429
Profit and loss reserves	19		6,570,125		6,558,352
<b>Total equity</b>			<u><u>6,666,554</u></u>		<u><u>6,654,781</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 August 2020 and are signed on its behalf by:

G Koumi  
Director

Company Registration No. 01300261

## KENWOOD TRAVEL LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
<b>Balance at 1 April 2018</b>	90,000	6,429	5,448,965	5,545,394
<b>Year ended 31 March 2019:</b>				
Profit and total comprehensive income for the year	-	-	1,309,387	1,309,387
Dividends	10	-	(200,000)	(200,000)
<b>Balance at 31 March 2019</b>	90,000	6,429	6,558,352	6,654,781
<b>Year ended 31 March 2020:</b>				
Profit and total comprehensive income for the year	-	-	511,773	511,773
Dividends	10	-	(500,000)	(500,000)
<b>Balance at 31 March 2020</b>	90,000	6,429	6,570,125	6,666,554

# KENWOOD TRAVEL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(751,663)	2,553,759	
Income taxes paid			(210,000)	(622,869)	
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(961,663)</b>	<b>1,930,890</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(18,016)		(14,138)	
Purchase of fixed asset investments		(1,000,000)		-	
Interest received		147,051		96,518	
<b>Net cash (used in)/generated from investing activities</b>			<b>(870,965)</b>	<b>82,380</b>	
<b>Financing activities</b>					
Dividends paid		(500,000)		(200,000)	
<b>Net cash used in financing activities</b>			<b>(500,000)</b>	<b>(200,000)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(2,332,628)</b>	<b>1,813,270</b>	
Cash and cash equivalents at beginning of year			20,145,933	18,183,629	
Effect of foreign exchange rates			490,870	149,034	
<b>Cash and cash equivalents at end of year</b>			<b>18,304,175</b>	<b>20,145,933</b>	

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

#### Company information

Kenwood Travel Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is 5-8 Moorgate House, Dysart Street, London, EC2A 2BX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention, and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents the total amount receivable by the company in respect of holidays and services supplied to customers in the ordinary course of business. Turnover is recognised on a departure date basis.

Commissions receivable represents the total amount receivable by the company when the related services are provided.

Interest income is recognised as interest accrues using the effective interest method, and is shown including related fees, finance charges paid or received and associated transaction costs.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### 1.5 Fixed asset investments

Investments in unlisted company shares, are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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**1 Accounting policies** **(Continued)**

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.10 Derivatives**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.15 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 2 Judgements 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 considered 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

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

#### **Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

#### **Fixed asset investments**

The company's unlisted investments are carried in the statement of financial position at fair value. Investments held are valued by an independent professional analyst with experience in the category of investments valued. These valuations were reviewed and approved by the directors.

#### **Key sources of estimation uncertainty**

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

#### **Deferred income and deferred costs**

Turnover is recognised on a departure date basis. When this criteria is not met, revenue arising from the rendering of services and the corresponding cost is deferred.

At the balance sheet date, deferred revenue amounted to £18,955,439 (2019: £36,272,174) and relating deferred costs amounted to £13,883,749 (2019: £32,422,164).

Deferred bookings cancelled post year end have been de-recognised. However, as the situation with Covid-19 continues and travel restrictions continue to be imposed further bookings may still be cancelled.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Rendering of services	68,157,402	73,041,767
	<u>68,157,402</u>	<u>73,041,767</u>

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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<b>4 Operating profit</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging / (crediting):		
Exchange gains	(490,870)	(149,034)
Depreciation of owned tangible fixed assets	13,234	13,127
Loss on disposal of tangible fixed assets	1,969	-
Operating lease charges	223,586	127,821
	<u>                    </u>	<u>                    </u>

<b>5 Auditor's remuneration</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	28,500	28,500
	<u>                    </u>	<u>                    </u>
<b>For other services</b>		
All other non-audit services	750	1,425
	<u>                    </u>	<u>                    </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Management	2	2
Sales	27	27
Administrative	43	40
	<u>                    </u>	<u>                    </u>
Total	72	69
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,133,723	2,896,562
Social security costs	275,125	265,589
Pension costs	71,388	81,950
	<u>                    </u>	<u>                    </u>
	3,480,236	3,244,101
	<u>                    </u>	<u>                    </u>

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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7 Directors' remuneration	2020	2019
	£	£
Remuneration for qualifying services	6,000	6,000
Company pension contributions to defined contribution schemes	-	10,000
Sums paid to third parties for directors' services	579,260	412,941
	<u>585,260</u>	<u>428,941</u>

8 Interest receivable and similar income	2020	2019
	£	£
<b>Interest income</b>		
Interest on bank deposits	147,051	96,518
	<u>147,051</u>	<u>96,518</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	147,051	96,518
	<u>147,051</u>	<u>96,518</u>

9 Taxation	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	128,556	307,500
	<u>128,556</u>	<u>307,500</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	640,329	1,616,887
	<u>640,329</u>	<u>1,616,887</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	121,663	307,209
Tax effect of expenses that are not deductible in determining taxable profit	7,704	817
Depreciation add back	2,514	2,494
Capital allowances	(3,683)	(3,020)
Other tax adjustments	358	-
	<u>128,556</u>	<u>307,500</u>
Taxation charge for the year	128,556	307,500

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

<b>10</b>	<b>Dividends</b>			
			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
	Interim paid		500,000	200,000
			<u>          </u>	<u>          </u>
<b>11</b>	<b>Tangible fixed assets</b>			
		<b>Plant and</b>	<b>Fixtures, fittings</b>	<b>Total</b>
		<b>machinery</b>	<b>&amp; equipment</b>	
		<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>			
	At 1 April 2019	100,126	60,453	160,579
	Additions	10,543	7,473	18,016
	Disposals	(3,513)	-	(3,513)
	At 31 March 2020	<u>107,156</u>	<u>67,926</u>	<u>175,082</u>
	<b>Depreciation and impairment</b>			
	At 1 April 2019	58,402	36,190	94,592
	Depreciation charged in the year	10,060	3,174	13,234
	Eliminated in respect of disposals	(1,544)	-	(1,544)
	At 31 March 2020	<u>66,918</u>	<u>39,364</u>	<u>106,282</u>
	<b>Carrying amount</b>			
	At 31 March 2020	<u>40,238</u>	<u>28,562</u>	<u>68,800</u>
	At 31 March 2019	<u>41,724</u>	<u>24,263</u>	<u>65,987</u>
<b>12</b>	<b>Fixed asset investments</b>			
			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
	Unlisted investments		1,000,000	-
			<u>          </u>	<u>          </u>

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

<b>12</b>	<b>Fixed asset investments</b>		<b>(Continued)</b>
	<b>Movements in fixed asset investments</b>		<b>Investments other than loans £</b>
	<b>Cost or valuation</b>		
	At 1 April 2019		-
	Additions		1,000,000
	At 31 March 2020		<u>1,000,000</u>
	<b>Carrying amount</b>		
	At 31 March 2020		<u>1,000,000</u>
	At 31 March 2019		<u>-</u>
<b>13</b>	<b>Financial instruments</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	134,072	-
<b>14</b>	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	12,477,597	19,531,252
	Derivative financial instruments	134,072	-
	Other debtors	91,835	53,802
	Prepayments and accrued income	9,173,159	32,551,677
		<u>21,876,663</u>	<u>52,136,731</u>
	<b>Amounts falling due after more than one year:</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Prepayments and accrued income	4,885,693	-
		<u>4,885,693</u>	<u>-</u>
	<b>Total debtors</b>	<u>26,762,356</u>	<u>52,136,731</u>

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	18,260,632	28,863,786
Corporation tax	16,056	97,500
Other taxation and social security	65,200	67,190
Other creditors	1,965,921	128,191
Accruals and deferred income	13,588,568	36,537,203
	<u>33,896,377</u>	<u>65,693,870</u>

### 16 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	5,572,400	-
	<u>5,572,400</u>	<u>-</u>

### 17 Retirement benefit schemes

	2020	2019
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	71,388	81,950
	<u>71,388</u>	<u>81,950</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
90,000 Ordinary shares of £1 each	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

### 19 Reserves

#### Profit and loss reserves

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

#### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

# KENWOOD TRAVEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 20 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	2,357	4,972
Between two and five years	-	2,357
	<u>2,357</u>	<u>7,329</u>

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	<u>787,810</u>	<u>595,996</u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
<b>Amounts due to related parties</b>		
Other related parties	<u>250,080</u>	<u>231,257</u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
<b>Amounts due from related parties</b>		
Key management personnel	4,492	3,691
Other related parties	<u>53,739</u>	<u>56,026</u>

During the year, purchases totalling £889,745 (2019: £531,074) were paid to key management personnel for services received, and sales totalling £5,750 (2019: £3,691) were received from key management personnel for services rendered.

Purchases totalling £6,000 (2019: £9,621) were paid to other related parties for services received during the year.

## KENWOOD TRAVEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Cash generated from operations	2020 £	2019 £
Profit for the year after tax	511,773	1,309,387
<b>Adjustments for:</b>		
Taxation charged	128,556	307,500
Investment income	(147,051)	(96,518)
Loss on disposal of tangible fixed assets	1,969	-
Depreciation and impairment of tangible fixed assets	13,234	13,127
Foreign exchange profit on cash equivalents	(490,870)	(149,034)
<b>Movements in working capital:</b>		
Decrease in debtors	25,374,375	1,863,837
(Decrease) in creditors	(26,143,649)	(694,540)
<b>Cash (absorbed by)/generated from operations</b>	<u>(751,663)</u>	<u>2,553,759</u>

23 Analysis of changes in net funds	1 April 2019 £	Cash flows £	Exchange rate £	31 March 2020 £
Cash at bank and in hand	<u>20,145,933</u>	<u>(2,332,628)</u>	<u>490,870</u>	<u>18,304,175</u>

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