

GRAY DAWES TRAVEL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

GRAY DAWES TRAVEL LIMITED

COMPANY INFORMATION

Directors	The Right Hon. Earl of Inchcape V F 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	Elman Wall Limited Chartered Accountants & Statutory Auditor 8th Floor Becket House 36 Old Jewry London EC2R 8DD

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

Introduction

The directors present their Strategic Report for year ended 31 March 2020.

Business review

We continue on the path of the strategic plan, a fifth year of acquisitions has successfully added Amber Road to the group. Organic growth is being achieved through the success of the internal sales team and the stability of the senior management team creates the capacity and expertise to manage the growing business.

Principal risks and uncertainties

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 our clients operate within the financial services sector where the businesses can be heavily influenced by the rise and fall in activity in the global financial markets.

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.

Shortly prior to the year end the impact on business travel of the Coronavirus pandemic became apparent with mass closure of routes and restrictions on travel between different jurisdictions, the effects continue albeit there has been some easing of restrictions. The business has been agile in reducing costs in line with reduced activity levels through a combination of utilising governmental support and contract reviews. The Group maintains a close review of likely future developments which may lead to an easing of restrictions and thereby an increase in travel demand as traveller and corporate confidence levels return. In addition the Group and its key employees have been active in lobbying for greater governmental support and for the safe re-opening of travel opportunities. The Group has maintained close contact with staff (active and furloughed) throughout the pandemic in order to ensure their wellbeing is maintained. Servicing of Clients has been maintained including with assistance in securing refunds for affected travel.

The continuing uncertainty around BREXIT is impacting businesses' longer term planning decisions, but has not noticeably affected shorter term activity and associated business travel.

Financial key performance indicators

We regard the key financial performance indicators to be:

Turnover as a percentage of Gross Transactional Turnover - 17.8% (2019: 14.3%)

Operating profit - £2,649,666 (2019: £1,545,088)

Cash position and trading are monitored daily.

Other key performance indicators

We monitor the balance between online and offline booking channels and transaction volumes overall with regards to staffing levels.

GRAY DAWES TRAVEL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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

S H Horner
Director

Date: 1 October 2020

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

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

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 £2,223,023 (2019 - £1,327,608).

The directors have recommended a dividend amounting to £1,000,000 (2019: £500,000) for the financial year.

Directors

The directors who served during the year were:

The Right Hon. Earl of Inchcape
V F 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 2020**

Engagement with employees

The Group 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 at each office. Staff are remunerated through a combination of salary and incentives linked to individual and group performance. In the current Coronavirus environment 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.

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

Following the year end, coronavirus affected world-wide travel, resulting in cancellations across the whole travel industry. Refer to note 29 of the accounts for further details.

Auditors

The auditors, Elman Wall Limited, 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: 1 October 2020

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 2020, 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 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 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

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.

In common with many travel companies, the company has experienced a reduction in bookings due to concern over the coronavirus. While the effect of the coronavirus cannot currently be predicted with any certainty, the directors have prepared forecasts taking into account their assessment of the potential reduction in sales and are confident that the company will be able to continue to meet their liabilities as they fall due for a period of not less than 12 months from the date these accounts are signed.

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 Auditors' Report thereon. Our opinion on the

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

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.

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 on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Yasin Khandwalla (Senior Statutory Auditor)

for and on behalf of

Elman Wall Limited

Chartered Accountants

Statutory Auditor

8th Floor

Becket House

36 Old Jewry

London

EC2R 8DD

1 October 2020

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Total Transactional Turnover		49,351,470	41,180,060
Turnover	4	8,798,502	5,878,056
Gross profit		8,798,502	5,878,056
Administrative expenses		(6,148,836)	(4,332,968)
Operating profit	5	2,649,666	1,545,088
Income from shares in group undertakings		24,092	19,726
Interest receivable and similar income	9	-	687
Interest payable		(162,068)	(143,400)
Profit before tax		2,511,690	1,422,101
Tax on profit	11	(288,667)	(94,493)
Profit for the year		<u>2,223,023</u>	<u>1,327,608</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 12 to 29 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	3,041,465	3,385,090
Tangible assets	14	223,973	165,456
Investments	15	16,499,642	13,728,789
		<u>19,765,080</u>	<u>17,279,335</u>
Current assets			
Debtors: amounts falling due within one year	16	10,180,484	9,337,239
Cash at bank and in hand	17	244,010	286,924
		<u>10,424,494</u>	<u>9,624,163</u>
Creditors: amounts falling due within one year	18	(13,877,773)	(9,265,793)
Net current (liabilities)/assets		<u>(3,453,279)</u>	<u>358,370</u>
Total assets less current liabilities		<u>16,311,801</u>	<u>17,637,705</u>
Creditors: amounts falling due after more than one year	19	(9,950,977)	(12,499,904)
Net assets		<u><u>6,360,824</u></u>	<u><u>5,137,801</u></u>
Capital and reserves			
Called up share capital	23	150,000	150,000
Profit and loss account	24	6,210,824	4,987,801
		<u><u>6,360,824</u></u>	<u><u>5,137,801</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: 1 October 2020

The notes on pages 12 to 29 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	150,000	4,160,193	4,310,193
Comprehensive income for the year			
Profit for the year	-	1,327,608	1,327,608
Total comprehensive income for the year	-	1,327,608	1,327,608
Dividends: Equity capital	-	(500,000)	(500,000)
Total transactions with owners	-	(500,000)	(500,000)
At 1 April 2019	150,000	4,987,801	5,137,801
Comprehensive income for the year			
Profit for the year	-	2,223,023	2,223,023
Total comprehensive income for the year	-	2,223,023	2,223,023
Dividends: Equity capital	-	(1,000,000)	(1,000,000)
Total transactions with owners	-	(1,000,000)	(1,000,000)
At 31 March 2020	<u>150,000</u>	<u>6,210,824</u>	<u>6,360,824</u>

The notes on pages 12 to 29 form part of these financial statements.

GRAY DAWES TRAVEL LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019	Cash flows	New finance	At 31 March
	£	£	leases	2020
			£	£
Cash at bank and in hand	286,924	(42,914)	-	244,010
Debt due after 1 year	(5,255,420)	(1,475,611)	-	(6,731,031)
Debt due within 1 year	(578,939)	(356,208)	-	(935,147)
Finance leases	(36,117)	-	(9,685)	(45,802)
	<u>(5,583,552)</u>	<u>(1,874,733)</u>	<u>(9,685)</u>	<u>(7,467,970)</u>

The notes on pages 12 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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).

The following principal accounting policies have been applied:

2.2 Consolidated financial statements

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.

2.3 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 includes this disclosure in its own consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Going concern

Following the year end, in common with many travel companies, the company has experienced a reduction in bookings due to concern over the coronavirus. While the effect of the coronavirus cannot currently be predicted with any certainty, the directors have prepared forecasts taking into account their assessment of the potential reduction in sales and are confident that the company will be able to continue to meet their liabilities as they fall due for a period of not less than 12 months from the date these accounts are signed.

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.

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 the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	-	Over the term of the lease
Plant and machinery	-	3 - 5 years
Motor vehicles	-	Over the term of the lease

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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 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.

2.16 Dividends

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

2.17 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.

2.18 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.19 Holiday pay accrual

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.20 Interest income

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

2.21 Borrowing costs

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

2.22 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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.

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.

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.

As a result of the coronavirus pandemic referred to in note 29, the directors have formulated a provision for cancellation based on actual cancellations and judgement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	62,399	52,960
Amortisation of intangible assets, including goodwill	381,525	209,851
Defined contribution pension cost	<u>140,705</u>	<u>87,105</u>

6. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>29,646</u>	<u>18,225</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 2020

7. Employees

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

	2020 £	2019 £
Wages and salaries	4,732,992	4,776,180
Social security costs	504,280	520,509
Cost of defined contribution scheme	140,705	87,105
	<u>5,377,977</u>	<u>5,383,794</u>

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

	2020 No.	2019 No.
Administrative staff	52	10
Management staff	11	8
Sales staff	69	90
	<u>132</u>	<u>108</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	888,472	925,225
Company contributions to defined contribution pension schemes	6,783	6,012
	<u>895,255</u>	<u>931,237</u>

During the year retirement benefits were accruing to no directors (2019 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £848,271 (2019 - £888,775).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,545 (2019 - £5,262).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>-</u>	<u>687</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	162,068	139,985
Finance leases and hire purchase contracts	-	3,415
	<u>162,068</u>	<u>143,400</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	308,325	307,358
Adjustments in respect of previous periods	(19,658)	(212,865)
	<u>288,667</u>	<u>94,493</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>2,511,690</u>	<u>1,422,101</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	443,512	270,199
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,897	32,057
Capital allowances for year in excess of depreciation	434	42,451
Adjustments to tax charge in respect of prior periods	(19,658)	(212,865)
Other timing differences leading to an increase (decrease) in taxation	-	(21,605)
Dividends from UK companies	(4,577)	(3,748)
Remeasurement of deferred tax for changes in tax rates	(794)	-
Adjust closing deferred tax to average rate of 19.00%	-	634
Adjust opening deferred tax to average rate of 19.00%	-	(1,897)
Deferred tax not recognised	(8,293)	(10,733)
Other adjustments	(138,854)	-
Total tax charge for the year	<u>288,667</u>	<u>94,493</u>

12. Dividends

	2020 £	2019 £
Dividends paid	<u>1,000,000</u>	<u>500,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Intangible assets

	Goodwill £
Cost	
At 1 April 2019	3,859,704
Additions	37,900
At 31 March 2020	<u>3,897,604</u>
Amortisation	
At 1 April 2019	474,614
Charge for the year on owned assets	381,525
At 31 March 2020	<u>856,139</u>
Net book value	
At 31 March 2020	<u><u>3,041,465</u></u>
At 31 March 2019	<u><u>3,385,090</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2019	70,776	441,258	54,313	566,347
Additions	21,210	82,126	50,421	153,757
Disposals	-	-	(52,545)	(52,545)
At 31 March 2020	<u>91,986</u>	<u>523,384</u>	<u>52,189</u>	<u>667,559</u>
Depreciation				
At 1 April 2019	23,931	361,668	15,292	400,891
Charge for the year on owned assets	10,790	40,391	-	51,181
Charge for the year on financed assets	-	-	11,218	11,218
Disposals	-	-	(19,704)	(19,704)
At 31 March 2020	<u>34,721</u>	<u>402,059</u>	<u>6,806</u>	<u>443,586</u>
Net book value				
At 31 March 2020	<u>57,265</u>	<u>121,325</u>	<u>45,383</u>	<u>223,973</u>
At 31 March 2019	<u>46,845</u>	<u>79,590</u>	<u>39,021</u>	<u>165,456</u>

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

	2020 £	2019 £
Motor vehicles	<u>45,801</u>	<u>38,314</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2019	13,728,503	286	13,728,789
Additions	2,841,547	-	2,841,547
Amounts written off	(70,694)	-	(70,694)
At 31 March 2020	<u>16,499,356</u>	<u>286</u>	<u>16,499,642</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Gray Dawes (Jersey) Limited		49.9
	Ordinary	%
The Business Travel Partnership Limited		100
	Ordinary	%
Chiswick Investments Limited*		100
	Ordinary	%
BTP Group Limited		100
	Ordinary	%
Amethyst Corporate Enterprises Limited		100
	Ordinary	%
Travel Focus Limited**		100
	Ordinary	%
Travel Management Group Plc		100
	Ordinary	%
Worldfarer World Limited***		100
	Ordinary	%
Giles Travel Limited		100
	Ordinary	%
CTM Travel Management Limited		100
	Ordinary	%
Travel By Amber Road Limited		100
	Ordinary	%
Amber Road Hotels Limited ****		100
	Ordinary	%
Amber Road Travel Limited ****		100
	Ordinary	%

GRAY DAWES TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the trading subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Gray Dawes (Jersey) Limited	152,213	44,010
The Business Travel Partnership Limited*	1,036,812	193,390
Chiswick Investments Limited*	451,993	-
BTP Group Limited	(3,895)	-
Amethyst Corporate Enterprises Limited	294,760	-
Travel Focus Limited**	2,041,847	86,614
Travel Management Group Plc	4,085,087	367,343
Worldfarer World Limited***	9,222	-
Giles Travel Limited	(108,207)	(450,400)
CTM Travel Management Limited	260,324	51,290
Travel By Amber Road Limited	(168,329)	(653,239)
Amber Road Hotels Limited ****	797,692	(71,217)
Amber Road Travel Limited ****	(226,650)	(624,342)

* these are wholly owned subsidiaries of BTP Group Limited

** this is a wholly owned subsidiary of Amethyst Corporate Enterprises Limited

*** this is a wholly owned subsidiary of Travel Management Group Plc

**** these are wholly owned subsidiaries of Travel By Amber Road Limited

16. Debtors

	2020 £	2019 £
Trade debtors	4,655,003	4,254,539
Amounts owed by group undertakings	4,674,113	4,370,773
Other debtors	55,384	26,542
Prepayments and accrued income	795,984	685,385
	<u>10,180,484</u>	<u>9,337,239</u>

17. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>244,010</u>	<u>286,924</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	734,653	578,939
Trade creditors	3,251,864	3,380,026
Amounts owed to group undertakings	6,490,888	1,256,008
Corporation tax	237,189	136,207
Other taxation and social security	197,203	192,330
Obligations under finance lease and hire purchase contracts	4,964	3,956
Other creditors	1,470,808	1,981,285
Accruals and deferred income	1,490,204	1,737,042
	<u>13,877,773</u>	<u>9,265,793</u>

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

	2020 £	2019 £
Bank loans	6,731,031	5,255,420
Net obligations under finance leases and hire purchase contracts	40,838	32,161
Amounts owed to group undertakings	3,133,275	6,620,973
Other creditors	-	449,525
Accruals and deferred income	45,833	141,825
	<u>9,950,977</u>	<u>12,499,904</u>

Secured loans:

In 2018 the Company entered into a loan facility of £4,700,000, repayable over a 10 year term, attracting an interest rate of 1.5%. As at the year end, the balance outstanding on this loan facility was £3,779,343 (2019: £4,209,359).

Additionally to the above loan, the Company entered into another loan facility in 2019, of £1,625,000, repayable over a 5 year term, attracting an interest rate of 1.82% above base rate. As at the year end, the balance outstanding on this loan facility was £1,486,341 (2019: £1,625,000).

During the year, the Company entered into an additional loan facility, of £2,200,000, repayable over a 4 year term, attracting an interest rate of 1.82% above base rate. As as the year end, the balance outstanding on this loan facility was £2,200,000 (2019: £nil).

Legal charges and securities:

The Company has a bank overdraft facility of £3,200,000, repayable on demand. To secure the bank overdraft facility and loan facilities detailed above, the Company and it's subsidiaries have entered into a Composite Company Limited Multilateral Guarantee with HSBC Bank Plcs, dated 9 September 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

20. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	734,653	578,939
Amounts falling due 1-2 years		
Bank loans	2,657,621	814,670
Amounts falling due 2-5 years		
Bank loans	4,073,410	4,440,750
	<u>7,465,684</u>	<u>5,834,359</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	4,964	3,956
Between 1-2 years	4,964	4,837
Between 2-5 years	35,873	27,324
	<u>45,801</u>	<u>36,117</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

22. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	244,296	287,210
Financial assets that are debt instruments measured at amortised cost	9,377,384	8,641,501
	<u>9,621,680</u>	<u>8,928,711</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(23,317,838)</u>	<u>(21,377,642)</u>

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

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
150,000 (2019 - 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 has 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 amounting to £1,440,089 (2019: £1,880,265), which is payable over a period of two years.

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 2020, there were no contingent liabilities, in the normal course of business, in respect of CAA or IATA bonds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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 £140,705 (2019: £87,105). Contributions totalling £ 29,982 (2019: £20,834) were payable to the fund at the balance sheet date and included within other creditors.

27. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Land and buildings		
Not later than 1 year	229,242	195,556
Later than 1 year and not later than 5 years	698,986	444,535
Later than 5 years	723,562	219,547
	<u>1,651,790</u>	<u>859,638</u>
	2020 £	2019 £
Other		
Not later than 1 year	10,826	5,388
Later than 1 year and not later than 5 years	26,163	18,409
	<u>36,989</u>	<u>23,797</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

28. Related party transactions

During the year, the Company paid a dividend of £1,000,000 (2019: £500,000) to parent company, Inchcape Family Estates Limited.

During the year, the Company paid £ 60,020 (2019: £12,937) to J Horner, spouse of S Horner in relation to repair work.

During the year, the Company had the following transactions with directors;

The Company booked travel on behalf of a director amounting to £Nil (2019: £Nil). He repaid the Company £ 285 (2019: £195) during the year, therefore the balance due to the Company at the year end was £Nil (2019: £285).

The Company booked travel on behalf of a director amounting to £ 9,451 (2019: £3,364). He repaid the Company £Nil (2019: £Nil) during the year, therefore the balance due to the Company at the year end was £ 12,815 (2019: £3,364).

The Company received management fee income of £54,110 (2019: £86,570) from Gray Dawes (Jersey) Limited. At the year end, the Company owed Gray Dawes (Jersey) Limited £Nil (2019: £Nil).

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

29. Post balance sheet events

The declaration of the Coronavirus as a global pandemic in March 2020 arose prior to the reporting year end but the affects persist beyond this point. The Company has continued to assist clients in amending/refunding bookings directly affected, and this has reduced the level of income recognised in the reporting year. Trading levels immediately post year end and to the date of signing remain substantially reduced with a consequential impact on revenues. The Board has sought to minimise costs through governmental support and contract reviews and has regularly reviewed future expectations in order to better assess resource requirements. There remains uncertainty as to the level of business recovery in the short to medium term, prudent projections of future demand levels, coupled with an effective cost management programme allow the Board to be confident of the continuing trading of the business over the next 12 months.

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 16 Northumberland Avenue, Craven House, London, WC2N 5AP.

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