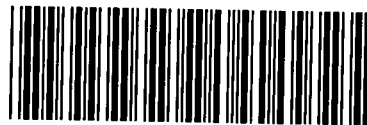


**ALFA TRAVEL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

TUESDAY



A07      \*ABA1RND7\*      #362  
09/08/2022  
COMPANIES HOUSE

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**ALFA TRAVEL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	E Russell P A Bull C L Brown (resigned 24 February 2022) D Howard S D Keely (appointed 20 January 2022)
<b>Company secretary</b>	S D Keely
<b>Registered number</b>	02326610
<b>Registered office</b>	Alfa Building Euxton Lane Chorley Lancashire PR7 6AF
<b>Independent auditors</b>	Xeinadin Audit Limited Chartered Accountants & Statutory Auditor 8th Floor Becket House 36 Old Jewry London EC2R 8DD
<b>Accountants</b>	Elman Wall Limited 8th Floor Becket House 36 Old Jewry London EC2R 8DD

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**ALFA TRAVEL LIMITED**

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## ALFA TRAVEL LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Business review**

The principal activity of the company is the provision of an inclusive holiday offering in the UK and Ireland; by coach and self drive accommodation only tours.

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

The Company has a subsidiary, Alfa Coaches Limited, which generated 99% of its revenue from trading with Alfa Travel Limited. Another group company, Leisureplex Hotels Limited provided 83% of Alfa Travel's accommodation used in its holiday packages.

#### **Financial highlights and key performance indicators**

Due to the ongoing Worldwide Coronavirus pandemic the business remained closed until the 17 May when National lockdown restrictions in the UK were lifted.

With a reduction in the period of enforced closure, ongoing Coronavirus restrictions easing throughout year and improved confidence to travel following the national vaccination programme, the number of passengers travelling increased by 243% and revenue increased by 279% to £30.2m. This was only 10% lower than pre-Covid levels, despite the business being closed until 17 May.

Despite social distancing measures restricting the maximum capacity able to travel on each coach until July, the number of passengers travelling on each coach and a key performance measure for the business increased by 20%, as confidence to travel returned and restrictions eased.

The company recorded a profit before tax of £0.6m (2020: loss of £1.4m) as a result of the strong recovery following the easing of restrictions.

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ALFA TRAVEL LIMITED

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

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Key risks and mitigating factors

Risk	Potential Impact	Mitigation
Consumer demand	A reduction in profit may occur	Customer feedback is obtained to ensure our product is continually evolving to meet the market demand. Our pricing policy is reviewed regularly to ensure it remains competitive. Sales progress is regularly reviewed and marketing strategy adjusted accordingly.
Major external events (for example extreme weather or terrorism)	Business disruption	A group crises management policy is in place to ensure any disruption is kept to a minimum. The Company operates in a range of locations in the UK and Europe to reduce the impact of disruption caused by a particular event.
Business closure due to the ongoing Coronavirus pandemic	Business closure resulting in loss of revenue and profit	<p>During periods of national lockdown, the business has furloughed all the Company's operational workforce and claimed for a grant to cover the costs from the Coronavirus Job Retention Scheme, although this was severely limited by the need to keep the team working to deal with customer refunds, enquiries and future marketing activities.</p> <p>The business has cancelled all non-essential contracts to minimise ongoing operating costs during the period of closure. Finance has been secured by the parent company under the Coronavirus Business Interruption Loan Scheme and from Lloyds Bank Plc to support the business through an extended period of closure.</p>
Impact of social distancing and government restrictions on the business	Loss of revenue and profits	<p>Ongoing review of the changing government restrictions to ensure operation in accordance with the latest guidelines.</p> <p>Review of sales to maximise the number of passengers travelling within the government guidelines, whilst ensuring focus on maintaining the safety of our passengers and employee owners.</p>

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ALFA TRAVEL LIMITED

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

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Bad debt resulting from the failure of a Travel Agents selling the group's holidays	Profitability may reduce if an agent enters administration or liquidation when owing the Group money for holidays sold	Agent contracts have been updated to afford further protection to the business in the case of agents collecting monies in advance of balance due dates. Regular monitoring of agent payments and risk are undertaken and action taken to reduce exposure where late payment is an issue. A review of the annual accounts are performed for our main trading relationships to identify any potential liquidity issues.
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**Strategic review and future prospects**

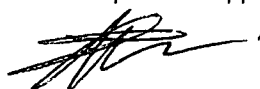
The effect of the worldwide Coronavirus pandemic has had a material effect on the business during the course of 2020 and 2021 until restrictions on trade were lifted on 17 May 2021. The Group priorities in 2021 alongside managing the impact of the pandemic on customers and our employee owners, was to refinance the business in May 2021 in order to provide liquidity through the continued period of restrictions. Despite the closure of the business until 17 May, there was significant pent up demand on re-opening, resulting in revenue only 10% behind 2019 and despite the business remaining closed until 17 May.

Due to the conservative forecasts presented, the Group has significant headroom within its agreed banking facilities and new banking facilities have been agreed with the National Westminster Bank Plc post year end.

The Group continues to outperform budget expectations in 2022 and is currently on track to return to meet budget in 2022, despite increased cost pressures as a result of Global inflation.

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

This report was approved by the board on *08 July 2022* and signed on its behalf.



**E Russell**  
Director

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ALFA TRAVEL LIMITED

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**Principal activity**

The principal activity of the company is and continues to be the operation of inclusive tours.

**Directors**

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

E Russell  
P A Bull  
C L Brown (resigned 24 February 2022)  
D Howard  
S D Keely (appointed 20 January 2022)

**Results and dividends**

The profit for the year, after taxation, amounted to £330,304 (2020 - loss £1,148,684).

Ordinary dividends were paid amounting to £500,000 (2020 - £nil). The directors do not recommend payment of a further dividend.

**Going concern**

In May 2021 the Group secured finance facilities with Lloyds Bank Plc to provide liquidity through the extended period of closure. Due to the strong performance in 2021 following the re-opening of the business, the Group is currently trading significantly ahead of the cashflow forecasts and budgets prepared and has significant headroom in the facilities agreed.

Following the year end, the Group has agreed new finance facilities with the National Westminster Bank Plc, consisting of a 5 year loan facility and an annual overdraft facility.

The Group entered the pandemic with a strong balance sheet, which has been substantially repaired as a result of the 2021 trading performance and the Group's fixed asset base continues to provide sufficient security to continue to secure finance facilities.

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

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## ALFA TRAVEL LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Financial instruments

##### *Liquidity risk*

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

##### *Interest rate risk*

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

##### *Credit risk*

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

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

#### Disabled employees

The group gives full consideration to applications for employment from candidates with a disability where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the role. Opportunities are available for employees with a disability for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position to provide appropriate training to achieve this aim.

#### Employee involvement

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

#### Strategic report

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

#### Directors indemnities

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



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## ALFA TRAVEL LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### 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
- Xeinadin Audit Limited was appointed as auditors and the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Auditors

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

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



E Russell  
Director

Date: 08 July 2022

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## ALFA TRAVEL LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFA TRAVEL LIMITED

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#### Opinion

We have audited the financial statements of Alfa Travel Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

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

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

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## ALFA TRAVEL LIMITED

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

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#### Other information

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

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

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

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

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

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

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## ALFA TRAVEL LIMITED

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

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#### **Auditors' responsibilities for the audit of the financial statements**

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

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

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

#### **Other matters**

The financial statements of Alfa Travel Limited for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified audit opinion on those statements on 29 September 2021.

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ALFA TRAVEL LIMITED

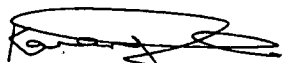
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFA TRAVEL LIMITED (CONTINUED)

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**Use of our report**

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



Karanjit Gill FCCA (Senior Statutory Auditor)

for and on behalf of  
**Xeinadin Audit Limited**

Chartered Accountants & Statutory Auditor

8th Floor  
Becket House  
36 Old Jewry  
London

EC2R 8DD

Date: 8th July 2022

ALFA TRAVEL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	30,205,976	7,966,999
Cost of sales		(29,420,700)	(8,291,385)
<b>Gross profit/(loss)</b>		<b>785,276</b>	<b>(324,386)</b>
Administrative expenses		(1,731,523)	(1,617,126)
Other operating income	5	68,524	115,789
<b>Operating loss</b>	6	<b>(877,723)</b>	<b>(1,825,723)</b>
Income from fixed assets investments		1,000,000	-
Interest receivable and similar income	11	483,340	444,598
Interest payable and similar expenses	12	(6,759)	(35,296)
<b>Profit/(loss) before tax</b>		<b>598,858</b>	<b>(1,416,421)</b>
Tax on profit/(loss)	13	(268,554)	267,737
<b>Profit/(loss) for the financial year</b>		<b>330,304</b>	<b>(1,148,684)</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 14 to 30 form part of these financial statements.

**ALFA TRAVEL LIMITED**  
**REGISTERED NUMBER:02326610**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	15	24,407	18,369
Tangible assets	16	819,472	837,344
Investments	17	2	2
		<u>843,881</u>	<u>855,715</u>
<b>Current assets</b>			
Stocks	18	28,128	17,944
Debtors: amounts falling due within one year	19	8,074,207	1,049,837
Cash at bank and in hand	20	311,050	12,406,098
		<u>8,413,385</u>	<u>13,473,879</u>
Creditors: amounts falling due within one year	21	(3,959,376)	(8,870,316)
<b>Net current assets</b>		<u>4,454,009</u>	<u>4,603,563</u>
<b>Total assets less current liabilities</b>		<u>5,297,890</u>	<u>5,459,278</u>
<b>Provisions for liabilities</b>			
Deferred tax	22	(8,308)	-
		<u>(8,308)</u>	<u>-</u>
<b>Net assets</b>		<u><u>5,289,582</u></u>	<u><u>5,459,278</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	200,000	200,000
Revaluation reserve		320,501	320,501
Profit and loss account		4,769,081	4,938,777
		<u>5,289,582</u>	<u>5,459,278</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*08 July 2022*



**E Russell**  
Director

The notes on pages 14 to 30 form part of these financial statements.

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**ALFA TRAVEL LIMITED**

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

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	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	200,000	320,501	6,087,461	6,607,962
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,148,684)	(1,148,684)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 1 January 2021</b>	200,000	320,501	4,938,777	5,459,278
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	330,304	330,304
	<hr/>	<hr/>	<hr/>	<hr/>
Dividends: Equity capital	-	-	(500,000)	(500,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	<u>200,000</u>	<u>320,501</u>	<u>4,769,081</u>	<u>5,289,582</u>

The notes on pages 14 to 30 form part of these financial statements.



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## ALFA TRAVEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

Alfa Travel Limited is a private company limited by shares incorporated in England and Wales. The registered office is Alfa Building, Euxton Lane, Euxton, Chorley, PR7 6AF.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Alfa Leisureplex Group Limited as at 31 December 2021 and these financial statements may be obtained from Alfa Building, Euxton Lane, Euxton, Chorley, PR7 6AF.

##### 2.3 Going concern

In May 2021 the Group secured finance facilities with Lloyds Bank Plc to provide liquidity through the extended period of closure. Due to the strong performance in 2021 following the re-opening of the business, the Group is currently trading significantly ahead of the cashflow forecasts and budgets prepared and has significant headroom in the facilities agreed.

Following the year end, the Group has agreed new finance facilities with the National Westminster Bank Plc, consisting of a 5 year loan facility and an annual overdraft facility.

The Group entered the pandemic with a strong balance sheet, which has been substantially repaired as a result of the 2021 trading performance and the Group's fixed asset base continues to provide sufficient security to continue to secure finance facilities.

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

##### 2.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Turnover for all holidays departing during the financial year is recognised in full during the year.

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## ALFA TRAVEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.6 Government grants

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

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

##### 2.7 Interest income

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

##### 2.8 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.

##### 2.9 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.

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## ALFA TRAVEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.11 Intangible fixed assets

Intangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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 of 4 years.

##### 2.12 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.

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## ALFA TRAVEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.12 Tangible fixed assets (continued)

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:

Freehold property	- No depreciation provided.
Plant and machinery	- 25% straight line method
Fixtures and fittings	- 10% straight line method

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.

No depreciation is provided in respect of freehold property as, in the opinion of the directors, the policy of fully maintaining the property, the cost of which is charged to expenditure in the year of incidence, means that the estimated useful life of the property is so long, or the estimated residual balance is so high as to render any depreciation charge and accumulated depreciation to be immaterial. This is a departure from the Companies Act 2006, which the Directors believe is necessary to give a true and fair view. Annual impairment reviews are performed in respect of the freehold property.

The current valuation has been reviewed at 31 December 2021, by comparing the current value to those of similar properties currently being marketed and no adjustment to the current valuation is necessary.

##### 2.13 Revaluation of tangible fixed assets

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

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

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

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

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**2. Accounting policies (continued)**

**2.14 Impairment of fixed assets**

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

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**2.16 Stocks**

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

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

**2.17 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.

**2.18 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.

**2.19 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.

**2.20 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.

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## ALFA TRAVEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.20 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.21 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.

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ALFA TRAVEL LIMITED

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

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

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

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

**Critical judgements**

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

**Depreciation**

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

**Valuation of freehold property**

As described in note regarding tangible assets, freehold property is stated at fair value based on the valuation performed by the directors, by comparing the current value to that of similar properties in the area that are currently being marketed.

**4. Turnover**

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

	2021 £	2020 £
Inclusive tours and self drive holidays	30,205,976	7,966,999
	<u>30,205,976</u>	<u>7,966,999</u>

All turnover arose within the United Kingdom. An analysis of turnover has not been provided as the Directors believe that the presentation of this information would be prejudicial to the interests of the Company.

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ALFA TRAVEL LIMITED

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

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5. Other operating income

	2021 £	2020 £
Government grants receivable - Coronavirus Job Retention Scheme	41,101	115,789
Local government grants receivable	27,423	-
	<u>68,524</u>	<u>115,789</u>

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	11,294	11,850
Depreciation of owned tangible fixed assets	<u>22,702</u>	<u>20,987</u>

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,000</u>	<u>8,500</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.



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ALFA TRAVEL LIMITED

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

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**8. Employees**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	682,169	672,632
Social security costs	56,473	51,500
Cost of defined contribution scheme	12,977	11,820
	<u>751,619</u>	<u>735,952</u>

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

	2021 No.	2020 No.
Office and management staff	4	4
Sales and marketing staff	30	33
	<u>34</u>	<u>37</u>

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

During the period retirement benefits were accruing to 5 directors in respect of defined contribution pension schemes.

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

The highest paid director received remuneration of £131,085 (2020: £119,640) and Pension contributions to defined contribution schemes of £6,304 (2020: £4,968).

**10. Income from investments**

	2021 £	2020 £
Dividends received from subsidiary	1,000,000	-
	<u>1,000,000</u>	<u>-</u>

ALFA TRAVEL LIMITED

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

11. Interest receivable

	2021 £	2020 £
Interest receivable from group companies	483,340	444,511
Income on bank deposits	-	87
	<u>483,340</u>	<u>444,598</u>

12. Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts	6,759	35,208
Other interest payable	-	88
	<u>6,759</u>	<u>35,296</u>

13. Taxation

	2021 £	2020 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	350,736	(268,618)
Effect of tax rate change on opening balance	(82,182)	881
<b>Total deferred tax</b>	<u>268,554</u>	<u>(267,737)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>268,554</u>	<u>(267,737)</u>

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ALFA TRAVEL LIMITED

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

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13. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	598,858	(1,416,421)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	113,783	(269,120)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	222	152
Exempt ABGH distributions	(190,000)	-
Fixed asset differences	(100)	350
Remeasurement of deferred tax for changes in tax rates	1,995	881
Movement in deferred tax not recognised	3,780	-
Group relief	338,874	-
<b>Total tax charge for the year</b>	<b>268,554</b>	<b>(267,737)</b>

**Factors that may affect future tax charges**

The rate of corporation tax has been increased from 19% to 25% with effect from 1 April 2023. Deferred tax assets and liabilities are therefore been remeasured at 25%.

14. Dividends

	2021 £	2020 £
Dividends issued to parent company	500,000	-
	<u>500,000</u>	<u>-</u>

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ALFA TRAVEL LIMITED

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

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15. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 January 2021	72,925
Additions - internal	17,332
At 31 December 2021	<u>90,257</u>
<b>Amortisation</b>	
At 1 January 2021	54,556
Charge for the year on owned assets	11,294
At 31 December 2021	<u>65,850</u>
<b>Net book value</b>	
At 31 December 2021	<u>24,407</u>
At 31 December 2020	<u>18,369</u>

ALFA TRAVEL LIMITED

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

16. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	730,000	47,625	348,665	1,126,290
Additions	-	-	4,830	4,830
At 31 December 2021	730,000	47,625	353,495	1,131,120
<b>Depreciation</b>				
At 1 January 2021	-	37,137	251,809	288,946
Charge for the year on owned assets	-	6,853	15,849	22,702
At 31 December 2021	-	43,990	267,658	311,648
<b>Net book value</b>				
At 31 December 2021	730,000	3,635	85,837	819,472
At 31 December 2020	730,000	10,488	96,856	837,344

The current valuation at 31 December 2021 has been reviewed by comparing the current value to that of similar properties in the area that are currently being marketed. Further to this review, no change to the current valuation is required.

In respect of certain fixed assets stated at valuation, the comparable historical cost and depreciation values are as follows;

At 31 December 2021, the carrying amount of the revalues asset would be £316,570 (2020: £325,392) had the assets been carried at historic cost less accumulated depreciation.

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ALFA TRAVEL LIMITED

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

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17. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	2
At 31 December 2021	<u>2</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Alfa Coaches Limited	Alfa Building, Euxton Lane, Chorley, Lancashire, PR7 6AF	Operation of coach fleet	Ordinary	100%

18. Stocks

	2021 £	2020 £
Stationery and brochures	28,128	17,944
	<u>28,128</u>	<u>17,944</u>

**ALFA TRAVEL LIMITED**

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

**19. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	84,281	85,304
Amounts owed by group undertakings	5,552,617	-
Other debtors	73,433	35,451
Prepayments and accrued income	56,515	47,953
Loans and other receivables	2,307,361	620,883
Deferred taxation	-	260,246
	<u>8,074,207</u>	<u>1,049,837</u>

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

**20. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	311,050	12,406,098
	<u>311,050</u>	<u>12,406,098</u>

**21. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	221,875	58,866
Amounts owed to group undertakings	1,230,585	5,587,853
Other taxation and social security	16,396	12,957
Other creditors	4,467	2,797
Accruals and deferred income	2,486,053	3,207,843
	<u>3,959,376</u>	<u>8,870,316</u>

Amounts due to group undertakings include unsecured loans receivable at year end, which are receivable on demand, with interest charged at 3% above the Bank of England and unsecured trading balances, which are repayable on demand and non interest bearing.

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ALFA TRAVEL LIMITED

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

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**22. Deferred taxation**

	2021 £
At beginning of year	260,246
Utilised in year	(268,554)
<b>At end of year</b>	<b>(8,308)</b>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(9,278)	(5,846)
Short term timing differences	970	143
Losses and other deductions	-	265,949
	<b>(8,308)</b>	<b>260,246</b>

**23. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
200,000 (2020 - 200,000) Ordinary shares of £1.00 each	200,000	200,000

**24. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,977 (2020: £11,820). Contributions totalling £3,882 (2020: £2,617) were payable to the fund at the balance sheet date and are included in creditors

**25. Commitments under operating leases**

The Company had no commitments under non-cancellable operating leases at the reporting date.



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ALFA TRAVEL LIMITED

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

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**26. Financial commitments, guarantees and contingent liabilities**

The company has entered into a guarantee and set off arrangement in the favour of Lloyds Bank Plc, with Alfa Coaches Limited, Leisureplex Hotels Limited and Alfa Leisureplex Group Limited. The company has also entered into an unlimited debenture in favour of Lloyds Bank Plc secured by way of a fixed and floating charge over the assets of the company. The total group exposure under these guarantees at the year end was £7,629,705 (2020: £20,203,097).

**27. Related party transactions**

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

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

**Receivable**

	Balance £
Leisureplex Hotels Limited	3,931,031
Alfa Leisureplex Group Limited	1,621,586
	<u>5,552,617</u>

**Payable**

	Balance £
Alfa Coaches Limited	619,301
David Urquhart Holidays Limited	611,284
	<u>1,230,585</u>

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

**28. Controlling party**

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

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