

Kirker Travel Services Limited

Directors' Report and Unaudited

Financial Statements

Year Ended

31 December 2019

Company Number 03019363

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Kirker Travel Services Limited

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Kirker Travel Services Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Principal activity

The Company's principal activity as a provider of transport services to its immediate parent company, Kirker Travel Limited, continued during the year.

The Company is part of the DER Touristik UK Limited Group ('the Group').

Results

The result for the year, after taxation, amounted to £NIL (2018: £NIL).

Kirker Travel Services Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the reasons set out below.

The Company has a result for the financial year of £Nil (2018: £Nil) and has net current assets of £40,000 (2018: £40,000) relating to net amounts receivable from other companies in the Group.

The Company's ability to continue in operation is dependant on the settlement of the amounts receivable from other companies in the Group. As a result, the ultimate parent company, REWE ZentralFinanzEG, has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, if required, it will provide financial support to ensure that the Company is able to meet its current and future obligations.

Having taken action to assess whether they can rely on the support being provided by the ultimate parent undertaking, the directors believe that with this support, the Company is well placed to manage its business risks successfully and navigate the COVID-19 crisis. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Directors

The directors who served during the year were:

D Jones
F Torilla

Qualifying third party indemnity provisions

The Group has qualifying third party indemnity provisions in place for two statutory directors during the year and at the date of approval of the Directors' Report.

Post balance sheet events

At the date of approval of these financial statements, COVID-19 continues to spread internationally, contributing to a sharp decline in global financial markets and a significant decrease in global economic activity, which is significantly impacting the travel industry.

At the time of writing, 14 day inbound quarantine restrictions still exist on most key long haul destinations with only speculative information available on which further destinations might open up and when. A number of short haul European countries are more freely available for outbound travel, but interest is still severely curtailed, as customers remain nervous about the travel experience. Significant uncertainty remains on how customer travel trends will change, and this will likely differ across different demographics of customer.

The directors expect the outbreak to have a continued impact on operations of the business for a sustained period after the Balance Sheet date, and are taking actions to mitigate these effects as much as possible.

Kirker Travel Services Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Small companies note

This report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirements to prepare a Strategic Report. The Company has also taken advantage of the small companies exemption in preparing this Directors' Report.

This report was approved by the board on 29 July 2020 and signed on its behalf.



F Torrilla
Director

Kirker Travel Services Limited

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of Kirker Travel Services Limited for the Year Ended 31 December 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Kirker Travel Services Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

It is your duty to ensure that Kirker Travel Services Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and result of Kirker Travel Services Limited. You consider that Kirker Travel Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Kirker Travel Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the board of directors of Kirker Travel Services Limited in accordance with the terms of our engagement letter dated 31 January 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Kirker Travel Services Limited and state those matters that we have agreed to state to the board of directors of Kirker Travel Services Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kirker Travel Services Limited and its board of directors for our work or for this report.

BDO LLP

BDO LLP

Chartered Accountants
Guildford
United Kingdom

Date: 30 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Kirker Travel Services Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	2019 £	2018 £
Turnover	6,811,220	7,027,983
Cost of sales	(4,821,889)	(5,164,724)
Gross profit	1,789,331	1,863,259
Administrative expenses	(1,789,331)	(1,863,259)
Operating profit	-	-
Result for the financial year	-	-

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 8 to 12 form part of these financial statements.

Kirker Travel Services Limited

Registered number:03019363

Balance Sheet As at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	7	40,000	40,000
Net current assets		<u>40,000</u>	<u>40,000</u>
Net assets		<u>40,000</u>	<u>40,000</u>
Capital and reserves			
Called up share capital	8	40,000	40,000
Total shareholders' funds		<u>40,000</u>	<u>40,000</u>

For the year ending 31 December 2019, the Company was entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



F Torilla
Director

29 JULY 2020

The notes on pages 8 to 12 form part of these financial statements.

Kirker Travel Services Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Total shareholders' funds £
At 1 January 2019	40,000	40,000
Total comprehensive income for the year	-	-
At 31 December 2019	40,000	40,000

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £	Total shareholder s' funds £
At 1 January 2018	40,000	40,000
Total comprehensive income for the year	-	-
At 31 December 2018	40,000	40,000

The notes on pages 8 to 12 form part of these financial statements.

Kirker Travel Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Kirker Travel Services Limited is a private company incorporated and domiciled in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the Company Information page and the nature of the Company's operations and principal activities are given in the Directors' Report.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The preparation of financial statements in compliance with FRS 101 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 Company's presentational currency is GBP.

The Company's intermediate parent undertaking, DER Touristik UK Limited includes the Company in its consolidated financial statements. The consolidated financial statements of DER Touristik UK Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Touristik House, One Dorking Office Park, Dorking, Surrey, RH4 1HJ.

The following principal accounting policies have been applied consistently, other than where new policies have been adopted:

Kirker Travel Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Adoption of new and revised standards

There have been no new standards, interpretations or amendments effective for the first time from 1 January 2019 that have had an impact on the financial statements.

2.4 Related party transactions

As a wholly owned subsidiary of DER Touristik UK Limited, the Company has taken advantage of the exemption contained in FRS 101.8(k) and has not therefore disclosed transactions or balances with entities which form part of the Group.

2.5 Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the reasons set out below.

The Company has a result for the financial year of £Nil (2018: £Nil) and has net current assets of £40,000 (2018: £40,000) relating to net amounts receivable from other companies in the Group.

The Company's ability to continue in operation is dependent on the settlement of the amounts receivable from other companies in the Group. As a result, the ultimate parent company, REWE ZentralFinanzEG, has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, if required, it will provide financial support to ensure that the Company is able to meet its current and future obligations.

Having taken action to assess whether they can rely on the support being provided by the ultimate parent undertaking, the directors believe that with this support, the Company is well placed to manage its business risks successfully and navigate the COVID-19 crisis. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Kirker Travel Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Turnover

The Company has one class of business acting as a provider of transport services to its immediate parent company. Revenue originates solely from the rendering of services and represents the aggregate amount of revenue receivable for services supplied in the ordinary course of business. Turnover represents the invoiced value of services provided exclusive of value added tax, in respect of holidays taken for departure dates up to 31 December 2019. Income has not been treated as earned until departure date. The turnover is wholly attributable to the principal activities of the Company and arises solely in the United Kingdom.

Income from the rendering of services is recognised in accordance with the stage of completion. Stage of completion is measured by the number of departed nights in a booking that fall in a particular year. Total revenue for a booking is assumed to accrue evenly across each day.

2.7 Non-derivative financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

2.8 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.

Impairment is provided by applying the expected credit loss model, using the simplified approach, as no receivables have been assessed to include a significant financing component, taking historic, current and forward looking information into account.

2.9 Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Kirker Travel Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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

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

Critical judgements in applying the Company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

The Company recognises revenue based on the date of departure of the booking apportioned on a percentage of completion basis. The directors believe this is the most appropriate revenue basis as this matches the point at which the service is performed.

4. Auditors' remuneration

The Company's audit fees of £xx (2018: £3,300) have been borne by Kirker Travel Limited, the immediate parent company, as in the preceding year.

5. Information regarding directors and employees

There were no employees during the current or prior year apart from the directors. The directors were remunerated through the immediate parent company, Kirker Travel Limited.

6. Taxation

No taxation arises from the results for either the current or preceding years, and accordingly no tax reconciliation has been presented.

7. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	40,000	40,000

Amounts owed by group undertakings are unsecured, interest free and receivable on demand through an intercompany netting process.

Kirker Travel Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Called up share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
40,000 (2018: 40,000) ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

9. Controlling party

The Company is a subsidiary undertaking of Kirker Travel Limited. DER Touristik UK Limited is the parent undertaking of Kirker Travel Limited and is the parent undertaking of the smallest group for which consolidated financial statements are prepared.

REWE ZentralFinanz eG is the parent undertaking of the largest group for which consolidated financial statements are prepared. A copy of these financial statements may be obtained from REWE ZentralFinanz eG, Domstraße 20, 50668, Köln. In the opinion of the directors this is the Company's ultimate parent undertaking and ultimate controlling party at the date of this report.

10. Post balance sheet events

At the date of approval of these financial statements, COVID-19 continues to spread internationally, contributing to a sharp decline in global financial markets and a significant decrease in global economic activity, which is significantly impacting the travel industry.

At the time of writing, 14 day inbound quarantine restrictions still exist on most key long haul destinations with only speculative information available on which further destinations might open up and when. A number of short haul European countries are more freely available for outbound travel, but interest is still severely curtailed, as customers remain nervous about the travel experience. Significant uncertainty remains on how customer travel trends will change, and this will likely differ across different demographics of customer.

The directors expect the outbreak to have a continued impact on operations of the business for a sustained period after the Balance Sheet date, and are taking actions to mitigate these effects as much as possible.