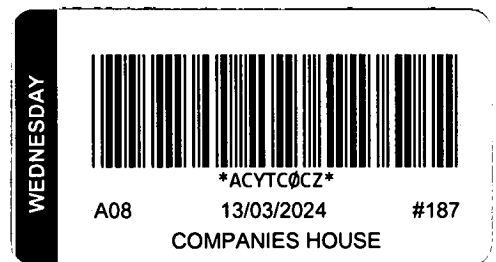


Registration number: 08453372

FAIRWAY TRAVEL MANAGEMENT LIMITED

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

for the Year Ended 30 September 2023



Lambert Roper & Horsfield Limited
Chartered Accountants & Statutory Auditors
First Floor
Rosemount House
Huddersfield Road
Elland
West Yorkshire
HX5 0EE

Fairway Travel Management Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 9
Consolidated (Incorporating the Statement of Income and Retained Earnings)	10
Consolidated Balance Sheet	11
Balance Sheet	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14 to 26

Fairway Travel Management Limited

Company Information

Directors	Mr W B Tannahill Mr M J Fletcher
Registered office	The Salt Warehouse Sowerby Bridge West Yorkshire HX6 2AG
Auditors	Lambert Roper & Horsfield Limited Chartered Accountants & Statutory Auditors First Floor Rosemount House Huddersfield Road Elland West Yorkshire HX5 0EE

Fairway Travel Management Limited

Strategic Report for the Year Ended 30 September 2023

The directors present their strategic report for the year ended 30 September 2023.

Principal activity

The principal activity of the group is that of travel management.

Fair review of the business

During the year the impact of Covid-19 has reduced and the level of travel has bounced back to close to pre pandemic levels. This has resulted in the underlying performance of the group improving.

There has been a significant drop in government assistance during the year and the funding required due to Covid has resulted in higher financing costs for the group.

The results for the year are set out in the Profit and Loss Account and the KPI's are shown below.

The loss for the year has resulted in the balance sheet position being eroded, although this is mainly caused by the amortisation of goodwill rather than the performance of the group.

The group's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2023	2022
Turnover	£	13,051,466	8,160,462
EBITDA	£	534,741	267,428
Operating profit (loss)	£	241,972	(22,238)

Principal risks and uncertainties

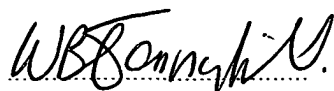
The current situation is positive with the level of travel back to pre-Covid levels and restrictions lifted in the UK and across the world. The group returned to a normal level of profitability in mid 2022 and continues to trade profitably.

The business was supported by the existing shareholders providing a cash injection into the business via a rights issue, along with a CBILS loan. This enabled the business to trade comfortably and look towards the future. The added finance costs from this funding are covered by the trading profits generated within the group.

The group is within the travel market which is very competitive, but does have an enviable position with the travel booked being a necessity for its client base, rather than discretionary, consisting primarily of the DP World Tour, golf media and professional golfers.

Long term the business wants to improve its technical abilities to ensure it remains at the forefront in terms of reporting, analytics and accessibility for both clients and internally. By doing this we are confident that the business will continue to trade successfully and profitably for years to come.

Approved and authorised by the Board on 5 March 2024 and signed on its behalf by:



Mr W B Tannahill
Director

Fairway Travel Management Limited

Directors' Report for the Year Ended 30 September 2023

The directors present their report and the for the year ended 30 September 2023.

Directors of the group

The directors who held office during the year were as follows:

Mr W B Tannahill

Mr M J Fletcher

Financial instruments

Objectives and policies

The financial risk management objective is to ensure that the financial statements reflect accurately the results and the financial position of the company

Price risk, credit risk, liquidity risk and cash flow risk

Price Risk

The business does not have any stocks so the price risk is minimal.

Credit Risk

The credit risk is primarily attributable to trade receivables. The amounts presented in the financial statements are net of any allowances for doubtful debts. There is no concentration of credit risk with the exposure being spread across its diverse portfolio of customers.

Liquidity risk and cash flow risk

Cash flow management continues to be a key financial risk, which is managed by regular cash flow forecasting.

Going concern

The directors have adopted the going concern basis in preparing these group accounts after assessing the principal risks and uncertainties as noted in the Strategic Report.

The group continues to trade profitably and meet all its obligations as they fall due. Therefore, the directors believe that the group will have adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

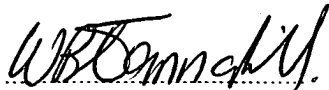
Fairway Travel Management Limited

Directors' Report for the Year Ended 30 September 2023 (continued)

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 5 March 2024 and signed on its behalf by:



Mr W B Tannahill
Director

Fairway Travel Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fairway Travel Management Limited

Independent Auditor's Report to the Members of Fairway Travel Management Limited

Opinion

We have audited the financial statements of Fairway Travel Management Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023, which comprise the Consolidated (Incorporating the Statement of Income and Retained Earnings), Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company's affairs as at 30 September 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Fairway Travel Management Limited

Independent Auditor's Report to the Members of Fairway Travel Management Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities [set out on page 5], 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.

Fairway Travel Management Limited

Independent Auditor's Report to the Members of Fairway Travel Management Limited (continued)

Auditor Responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent company and the group and determined that the most significant are those that relate to:

i) Laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements:

- The financial operating framework FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland
- The Companies Act 2006
- Tax legislations – various
- Employment law
- Pension Regulation Authority

ii) Laws and regulations which provides the legal framework within which the group conducts its business and which is central to the group's ability to conduct its business:

- International Air Transport Association (IATA) regulations

We assessed the risks of material misstatement in respect of fraud through:

- i) enquiries with management
- ii) review of the group's Anti-Fraud, Bribery and Corruption Policy
- ii) the audit team discussions with management on fraud to identify particular areas that were susceptible to misstatement

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

The audit team was assessed to have the appropriate competence and capability to identify or recognise non-compliance with laws and regulation.

Our approach to understanding the group's policies and procedures for compliance with those laws and regulations and to gaining an understanding of how instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented was via enquiry with management and obtaining a copy of the group's Anti-Fraud, Bribery and Corruption Policy.

We corroborated our enquiries through:

- i) review of correspondence with HMRC and Companies House (and their respective websites)
- ii) review of relevant regulatory websites
- iii) review of signed agreements / contracts

Fairway Travel Management Limited

Independent Auditor's Report to the Members of Fairway Travel Management Limited (continued)

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud. The audit tests implemented involved checks with compliance on various company and employment laws and regulations.

Where there was considered to be a lack of segregation of duty, systems of controls in place were verified through observation and enquiry and substantive testing.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries and accounting estimates into our audit approach. Any unusual transactions were investigated further and relevant documentary evidence obtained where deemed necessary.

We considered the risk of fraud through the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, which may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings. In response, in our audit approach we reviewed the application of accounting policies, in particular those associated with accounting estimates, for reasonableness and correct application within the financial statements.

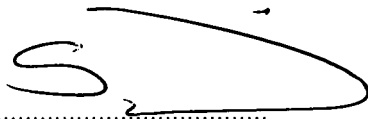
Audit test sample selection process involves random selection to incorporate an element of unpredictability in the selection of audit procedures.

Based on the audit approach and procedures in place explained above, we can provide reasonable assurance that any irregularities, including fraud, would likely be detected.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



SAMUEL MITCHELL FCA (Senior Statutory Auditor)

For and on behalf of Lambert Roper & Horsfield Limited, Statutory Auditor

First Floor
Rosemount House
Huddersfield Road
Elland
West Yorkshire
HX5 0EE

5 March 2024

Fairway Travel Management Limited

Consolidated (Incorporating the Statement of Income and Retained Earnings) for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Turnover	3	13,051,466	8,160,462
Cost of sales		<u>(11,194,059)</u>	<u>(6,809,154)</u>
Gross profit		1,857,407	1,351,308
Administrative expenses		(1,615,435)	(1,392,602)
Other operating income	4	<u>-</u>	<u>19,056</u>
Operating profit/(loss)	5	241,972	(22,238)
Interest payable and similar charges	6	<u>(269,561)</u>	<u>(274,481)</u>
Loss before tax		(27,589)	(296,719)
Taxation	9	<u>(100,007)</u>	<u>(30,319)</u>
Loss for the financial year		<u>(127,596)</u>	<u>(327,038)</u>
Profit/(loss) attributable to:			
Owners of the company		(127,596)	(327,038)
Retained earnings brought forward		<u>(4,502,108)</u>	<u>(4,175,070)</u>
Retained earnings carried forward		<u>(4,629,704)</u>	<u>(4,502,108)</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

Fairway Travel Management Limited

(Registration number: 08453372)

Consolidated Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	1,047,736	1,206,245
Tangible assets	11	<u>31,072</u>	<u>17,897</u>
		<u>1,078,808</u>	<u>1,224,142</u>
Current assets			
Debtors	13	1,292,450	1,223,071
Cash at bank and in hand		<u>602,913</u>	<u>759,365</u>
		1,895,363	1,982,436
Creditors: Amounts falling due within one year	14	<u>(2,522,815)</u>	<u>(2,382,450)</u>
Net current liabilities		<u>(627,452)</u>	<u>(400,014)</u>
Total assets less current liabilities		451,356	824,128
Creditors: Amounts falling due after more than one year	14	(1,971,995)	(2,220,511)
Provisions for liabilities	15	<u>(7,559)</u>	<u>(4,219)</u>
Net liabilities		<u>(1,528,198)</u>	<u>(1,400,602)</u>
Capital and reserves			
Called up share capital	17	4,766	4,766
Share premium reserve		3,096,740	3,096,740
Profit and loss account		<u>(4,629,704)</u>	<u>(4,502,108)</u>
Equity attributable to owners of the company		<u>(1,528,198)</u>	<u>(1,400,602)</u>
Shareholders' deficit		<u>(1,528,198)</u>	<u>(1,400,602)</u>

Approved and authorised by the Board on 5 March 2024 and signed on its behalf by:


 Mr W B Tannahill
 Director

Fairway Travel Management Limited

(Registration number: 08453372)

Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	12	3,731,145	3,605,831
Creditors: Amounts falling due within one year	14	<u>(3,677,349)</u>	<u>(3,372,064)</u>
Total assets less current liabilities		53,796	233,767
Creditors: Amounts falling due after more than one year	14	<u>(1,228,608)</u>	<u>(1,228,608)</u>
Net liabilities		<u>(1,174,812)</u>	<u>(994,841)</u>
Capital and reserves			
Called up share capital	17	4,766	4,766
Share premium reserve		3,096,740	3,096,740
Retained earnings		<u>(4,276,318)</u>	<u>(4,096,347)</u>
Shareholders' deficit		<u>(1,174,812)</u>	<u>(994,841)</u>

The company made a loss after tax for the financial year of £179,971 (2022 - loss of £166,971).

Approved and authorised by the Board on 5 March 2024 and signed on its behalf by:



Mr W B Tannahill
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

Fairway Travel Management Limited

Consolidated Statement of Cash Flows for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Loss for the year		(127,596)	(327,038)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	292,770	289,667
Finance costs	6	269,561	274,481
Income tax expense	9	96,667	28,642
		<u>531,402</u>	<u>265,752</u>
Working capital adjustments			
Increase in trade debtors	13	(69,379)	(411,431)
Increase in trade creditors	14	53,236	1,073,745
Increase in provisions	15	3,340	1,677
		<u>518,599</u>	<u>929,743</u>
Cash generated from operations			
Income taxes paid	9	(28,642)	(8,222)
Net cash flow from operating activities		<u>489,957</u>	<u>921,521</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(22,122)	(9,116)
Acquisition of intangible assets	10	(125,314)	-
Net cash flows from investing activities		<u>(147,436)</u>	<u>(9,116)</u>
Cash flows from financing activities			
Interest paid	6	(269,561)	(274,481)
Proceeds from bank borrowing draw downs		(229,412)	(211,775)
Net cash flows from financing activities		<u>(498,973)</u>	<u>(486,256)</u>
Net (decrease)/increase in cash and cash equivalents		(156,452)	426,149
Cash and cash equivalents at 1 October		759,365	333,216
Cash and cash equivalents at 30 September		<u>602,913</u>	<u>759,365</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

The Salt Warehouse
Sowerby Bridge
West Yorkshire
HX6 2AG

These financial statements were authorised for issue by the Board on 5 March 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £179,971 (2022 - loss of £166,971).

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

2 Accounting policies (continued)

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

2 Accounting policies (continued)

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which they become receivable.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the exchange rates prevailing on the reporting period date. Exchange differences are recognised in the profit and loss account.

Tax

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

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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Fixtures, fittings and equipment

Improvements to leasehold property

Depreciation method and rate

- 15% per annum on a straight line basis and 33% per annum on straight line basis

- 25% per annum on a straight line basis

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

2 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class

Goodwill

Amortisation method and rate

- 10% per annum on a straight line basis

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are taken to the income statement as finance expense.

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Mandatorily redeemable preference shares are classified as liabilities.

Defined contribution pension obligation

Payments to defined contribution pension schemes are charged to the profit and loss account as they fall due.

3 Turnover

The analysis of the group's revenue for the year from continuing operations is as follows:

	2023 £	2022 £
Sale of goods and provision of services	<u>13,051,466</u>	<u>8,160,462</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2023 £	2022 £
Government grants	<u>-</u>	<u>19,056</u>

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	8,946	5,843
Amortisation expense	<u>283,823</u>	<u>283,823</u>

6 Interest payable and similar expenses

	2023 £	2022 £
Interest expense on other finance liabilities	<u>269,561</u>	<u>274,481</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £	2022 £
Wages and salaries	720,778	625,042
Social security costs	72,497	63,209
Pension costs, defined contribution scheme	<u>16,255</u>	<u>12,617</u>
	<u>809,530</u>	<u>700,868</u>

The average number of persons employed by the group (including directors) during the year was as follows:

2023 No.	2022 No.
<u>19</u>	<u>17</u>

8 Auditors' remuneration

	2023 £	2022 £
Fees payable to the group's auditor for the audit of the financial statements of the group and the subsidiary undertakings	<u>30,000</u>	<u>30,000</u>

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

9 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2023 £	2022 £
Current taxation		
UK corporation tax	96,667	28,642
Deferred taxation		
Arising from origination and reversal of timing differences	<u>3,340</u>	<u>1,677</u>
Tax expense in the income statement	<u>100,007</u>	<u>30,319</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 22% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Loss before tax	<u>(27,589)</u>	<u>(296,719)</u>
Corporation tax at standard rate	(6,070)	(56,377)
Effect of expense not deductible in determining taxable profit (tax loss)	<u>106,077</u>	<u>86,696</u>
Total tax charge	<u>100,007</u>	<u>30,319</u>

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

10 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 October 2022	5,361,129	5,361,129
Additions acquired separately	<u>125,314</u>	<u>125,314</u>
At 30 September 2023	<u>5,486,443</u>	<u>5,486,443</u>
Amortisation		
At 1 October 2022	4,154,884	4,154,884
Amortisation charge	<u>283,823</u>	<u>283,823</u>
At 30 September 2023	<u>4,438,707</u>	<u>4,438,707</u>
Carrying amount		
At 30 September 2023	<u>1,047,736</u>	<u>1,047,736</u>
At 30 September 2022	<u>1,206,245</u>	<u>1,206,245</u>

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

11 Tangible assets

Group

	Improvements to leasehold £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2022	-	96,072	96,072
Additions	2,120	20,003	22,123
At 30 September 2023	2,120	116,075	118,195
Depreciation			
At 1 October 2022	-	78,176	78,176
Charge for the year	398	8,549	8,947
At 30 September 2023	398	86,725	87,123
Carrying amount			
At 30 September 2023	1,722	29,350	31,072
At 30 September 2022	-	17,897	17,897

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

12 Investments

Group

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Fairway International Travel Limited	England & Wales	Indirect	100%	100%
Plantselect Limited	England & Wales	Direct	100%	100%
Huddcor Limited	England & Wales	Indirect	100%	100%
Strandhall Management Limited	England & Wales	Direct	100%	100%
Bolcormar Limited	England & Wales	Indirect	100%	100%
SAT Business Travel Services Limited	England & Wales	Indirect	100%	100%
Fairway International Travel 2012 Limited	England & Wales	Direct	100%	100%

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

12 Investments (continued)

Subsidiary undertakings

Fairway International Travel Limited

The principal activity of Fairway International Travel Limited is Travel services

Plantselect Limited

The principal activity of Plantselect Limited is Holding company

Huddcor Limited

The principal activity of Huddcor Limited is Dormant company

Strandhall Management Limited

The principal activity of Strandhall Management Limited is Holding company

Bolcormar Limited

The principal activity of Bolcormar Limited is Dormant company

SAT Business Travel Services Limited

The principal activity of SAT Business Travel Services Limited is Dormant company

Fairway International Travel 2012 Limited

The principal activity of Fairway International Travel 2012 Limited is Holding company

Company

	2023 £	2022 £
Investments in subsidiaries	3,605,831	3,605,831
Investments	125,314	-
	<u>3,731,145</u>	<u>3,605,831</u>

Subsidiaries

£

Cost or valuation

At 1 October 2022

7,030,378

Provision

At 1 October 2022

3,424,547

Carrying amount

At 30 September 2023

3,605,831

At 30 September 2022

3,605,831

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

13 Debtors

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current				
Trade debtors	1,139,716	955,241	-	-
Other debtors	30,412	18,312	-	-
Prepayments	122,322	249,518	-	-
	<u>1,292,450</u>	<u>1,223,071</u>	<u>-</u>	<u>-</u>

14 Creditors

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
Due within one year					
Loans and borrowings		248,516	229,412	-	-
Trade creditors		1,201,796	1,163,221	-	-
Amounts due to related parties		-	-	3,198,147	3,072,833
Social security and other taxes		20,193	10,732	-	-
Other creditors		27,467	229,518	-	-
Accruals		928,176	720,925	479,202	299,231
Income tax liability	9	96,667	28,642	-	-
		<u>2,522,815</u>	<u>2,382,450</u>	<u>3,677,349</u>	<u>3,372,064</u>
Due after one year					
Bank loans and overdrafts		743,387	991,903	-	-
Other creditors		1,228,608	1,228,608	1,228,608	1,228,608
		<u>1,971,995</u>	<u>2,220,511</u>	<u>1,228,608</u>	<u>1,228,608</u>

The bank borrowings are secured by a legal charge over the assets of the group.

15 Provisions for liabilities

Group	Deferred tax £	Total £
At 1 October 2022	4,219	4,219
Additional provisions	3,340	3,340
At 30 September 2023	<u>7,559</u>	<u>7,559</u>

Fairway Travel Management Limited

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

16 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the group to the scheme and amounted to £16,255 (2022 - £12,617).

17 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary A Shares of £0.10 each	3,509	350.90	3,509	350.90
Ordinary B Shares of £0.10 each	39,707	3,970.70	39,707	3,970.70
Ordinary C Shares of £0.10 each	4,439	443.90	4,439	443.90
	<u>47,655</u>	<u>4,766</u>	<u>47,655</u>	<u>4,766</u>

Redeemable preference shares

The company also has D Ordinary Shares which are shown within other creditors in accordance with UK GAAP. The Ordinary D Shares are redeemable between 30 June 2025 and 6 November 2025. They are redeemable at £72 per share and carry no voting rights. On a winding up of the company the holders of the shares have a right to receive an amount equal to the issue price of such D Ordinary Shares together with any interest calculated. The winding up value for the redeemable preference shares is £1,228,608. This liability is shown within other creditors due in more than one year in note 14.