

Unaudited Financial Statements for the Year Ended 31 December 2022

for

China Travel Service and Information
Centre Limited

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for the Year Ended 31 December 2022

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China Travel Service and Information
Centre Limited

Company Information
for the Year Ended 31 December 2022

DIRECTORS:

T T Chan
P W Cheung
Z D Gu
X R Zeng

SECRETARY:

P W Cheung

REGISTERED OFFICE:

124 Euston Road
London
NW1 2AL

REGISTERED NUMBER:

02018522 (England and Wales)

Balance Sheet
31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Tangible assets	4		1,901		2,924
CURRENT ASSETS					
Debtors	5	1,222,941		830,979	
Cash at bank and in hand		<u>946,903</u>		<u>1,511,118</u>	
		2,169,844		2,342,097	
CREDITORS					
Amounts falling due within one year	6	<u>1,703,653</u>		<u>1,872,609</u>	
NET CURRENT ASSETS			<u>466,191</u>		<u>469,488</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>468,092</u>		<u>472,412</u>
CAPITAL AND RESERVES					
Called up share capital			260,000		260,000
Retained earnings			<u>208,092</u>		<u>212,412</u>
SHAREHOLDERS' FUNDS			<u>468,092</u>		<u>472,412</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 29 December 2023 and were signed on its behalf by:

T T Chan - Director

1. **STATUTORY INFORMATION**

China Travel Service and Information Centre Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The COVID-19 pandemic since January 2020 has had a significant impact on the travel and tourism industry. This has seen the closure of international borders, local lockdowns and intense restrictions on travel. As a consequence, long term survival has become a priority for all travel businesses and unfortunately many travel companies have closed down since.

Since January 2020 this has had the impact of reducing trading income levels for China Travel Service and Information Centre Limited to 10% of pre COVID levels. This has meant that the key strategic objective was the long-term survival of company.

The directors are optimistic that trading levels will slowly recover with consumer confidence and the ability to travel increasing after the end of the various travel restrictions and lockdowns around the world. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in the preparing the financial statements.

However, due to the uncertainty created by COVID-19 and the potential for future waves of the pandemic and the impact on travel restrictions, the company is not able to provide certainty that there could not be more severe downside scenarios than those it has considered. In the event that such a scenario was to occur, the company may need to secure additional funding. The company's ability to obtain additional funding represents a material uncertainty and this could cast significant doubt upon the company's ability to continue as a going concern.

The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

2. ACCOUNTING POLICIES - continued

Turnover

Turnover comprises the fair value for the sale of domestic and international travel, as well as other goods and services, net of value added tax (VAT), rebates and discounts. Turnover is recognised as follows:

(i) Revenue from travel services

Revenue is generated when the company, acting as an agent, arranges and books travel and travel related products to be provided by suppliers to retail and corporate consumers. The supplier of the travel products is the principal in the travel sales transaction. From the company's perspective, the supplier of the travel products is the customer in the agency relationship.

Where the company acts as an agent, revenue represents commission earned on flights, hotel bookings, package and other travel related sales. Revenue from the sale of travel services as agent is recorded when all customer monies relating to each sale have been received or invoiced and all obligations on the company to fulfil the booking have been met, as this is when the performance obligation is satisfied. Revenue not generated directly from the issuing of travel documents is recognised in accordance with contractual agreements.

(ii) Revenue from events management services

For event management services, where events have a life cycle from acceptance of the budget to the event, the company will recognise revenue when the revenues can be reliably estimated and based on completion of the event, being the period over which the performance obligation is satisfied.

(iii) Revenue from visa application services

For visa application services, the company will recognise revenue over time as the services are provided, being the period over which the performance obligation is satisfied.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 20% on cost
Plant and machinery etc	- 18% on reducing balance

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 non-puttable ordinary shares.

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

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Coronavirus job retention scheme

The CJRS grant relates to staff who have been furloughed due to Covid 19. As a receipt of a government grant, the JRS payments are recognised as other operation income in the Income Statements and the employment costs are recognised at the full cost of payments made to or in respect of the employees. The JRS payments are recognised on an accruals basis.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 1 (2021 - 1) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2022 and 31 December 2022	<u>3,387</u>	<u>88,121</u>	<u>91,508</u>
DEPRECIATION			
At 1 January 2022	2,032	86,552	88,584
Charge for year	<u>678</u>	<u>345</u>	<u>1,023</u>
At 31 December 2022	<u>2,710</u>	<u>86,897</u>	<u>89,607</u>
NET BOOK VALUE			
At 31 December 2022	<u>677</u>	<u>1,224</u>	<u>1,901</u>
At 31 December 2021	<u>1,355</u>	<u>1,569</u>	<u>2,924</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22 £	31.12.21 £
Other debtors	<u>1,222,941</u>	<u>830,979</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22 £	31.12.21 £
Trade creditors	-	4
Taxation and social security	(193)	722
Other creditors	<u>1,703,846</u>	<u>1,871,883</u>
	<u>1,703,653</u>	<u>1,872,609</u>

7. **CONTINGENT LIABILITIES**

The Bank of China has a Cash Collateral Deed which contains a fixed charge and a negative pledge on the £117,000 placed in a Bank of China Margin Deposits account for the Letter of Guarantee to International Air Transport Association (IATA).

8. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

8. RELATED PARTY DISCLOSURES - continued

Included in other debtors are an amount of £1,039,351 (2021: £675,351) and £nil (2021: £Nil) due from Silverfile Limited and The Centre For Language Education and Cooperation, UK, companies under common control respectively as at the balance sheet date.

Included in other creditors are an amount of £84,543 (2021: £93,303) and £390,401 (2021: £387,663) due to China Air Cargo Limited and Chinese Proficiency Test UK Committee, companies under common control respectively as at the balance sheet date.

Amounts due from or to companies under common control are unsecured, interest free, without fixed date of repayment and repayable on demand.

Within other debtors, there is a loan of £113,819 (2021: £105,878) to a relative of the key management. The loan is interest bearing with interest receivable at Bank of England base rate plus 4%. The loan has no fixed terms of repayment.

During the year, the company also paid annual rent of £36,000 (2021: £36,000) to Silverfile Limited, a company under common control.

9. ULTIMATE CONTROLLING PARTY

There is no one controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.