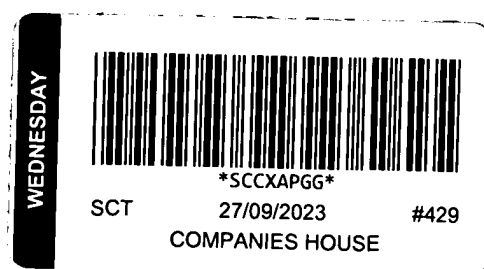


Insight Group Limited

**Directors' report and consolidated
financial statements**

Registered number 57993

31 December 2022



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Strategic Report

The directors present their annual strategic report, directors' report and the audited financial statements (together the "financial statements") of Insight Group Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2022.

Principal activities

The principal activity of the Group is the sale of European and USA coach tours and other travel arrangements. The principal activity of the Company is that of a holding company.

Performance of the business

2022 was a year of recovery for the Group following the COVID pandemic. The directors are hopeful for a return to full volumes in 2024. The profit for the year, after taxation, was £445,613 (2021 loss: £7,486,063). The directors do not recommend the payment of a dividend (2021: £ Nil).

Key performance indicators

The key indicators of performance revolve around bookings, wages and salaries and other overhead costs. On all these measures, the directors are satisfied that budget assumptions are being met.

Principal risks and uncertainties

The level of business is affected by inflationary movements, exchange rate movements and other major external factors such as war, terrorism and pandemics.

Prices are impacted by exchange rate movements and inflationary pressures. Exchange rates are monitored with a view to trying to minimise exchange rate risk where practicable. Rates are guaranteed by a holding company which mitigates much of the exchange rate risk. Costs are contracted and reviewed prior to the start of the year to minimise increases, which in turn have an impact on prices.

The Group uses financial instruments comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risk arising from the Group's financial instruments is credit risk. The directors review and agree policies for managing financial risks. Generally full payment is required prior to travel, which eliminates the credit risk and reduces the liquidity risk. Other credit risk is managed by agreeing payment terms in advance and by having in place appropriate credit control procedures.

Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006

Section 172 of the Companies Act 2006 ("the Act") requires directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1)(a)-(f) of the Act. The following section sets out how the directors have engaged with the Company's stakeholders during the year.

The Company has no employees, however, as a subsidiary holding company within The Travel Corporation Group ("the TTC Group"), the directors consider the impact of the Company's activities on its shareholder, its subsidiaries, the TTC Group businesses that have an interest in the Company's investments, and other stakeholders. The Company's stakeholders are consulted routinely on a wide range of matters including funding decisions, investment strategy, governance of its subsidiaries and compliance with TTC Group policies with the aim of maximising investment returns for the benefit of its shareholder and ensuring that its subsidiaries maintain high standards of business conduct and governance.

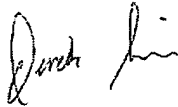
Strategic Report (*continued*)

The Company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding. The directors assess such requests in light of the Company's desire to achieve positive Retained Earnings in the long term.

Future developments

The directors aim to maintain the management policies currently in place. The directors believe that there may continue to be reduced levels of operations in 2023 due to the COVID-19 pandemic but there will be a return to normal levels in future years once the effects have reduced.

By order of the board



Derek Howie
Director
25 September 2023

14 Grosvenor Place
London
SW1X 7HH

Directors' Report

The directors present their report together with the financial statements and the independent auditor's report for the year ended 31 December 2022. A summary of the financial performance and position of the Company and the Group are discussed in the Strategic report.

Financial instruments

Details of the Group's financial management objectives and policies are included in note 24 to the financial statements.

Directors and directors' interests

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

Derek Howie

Benjamin Hall (Resigned 22 February 2022)

Jillian Gattrell (Appointed 22 February 2022)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company (2021: £ Nil).

Going concern

The directors believe that there will be reduced levels of operations in 2023 due to the COVID-19 pandemic but there will be a return to normal levels in future years once the effects have reduced. The directors consider that funds will be supplied by its holding company (Insight Travel Group Limited) to enable the Group to continue to meet its financial obligations as they fall due.

Political and charitable contributions

Donations to UK charities amounted to £ Nil for the year ended 31 December 2022 (2021: £ Nil). Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure in the year (2021: £ Nil).

Employee involvement

Within the bounds of commercial confidentiality staff at all levels are kept fully informed of matters that affect the progress of the Group and are of interest to them as employees.

Disabled employees

Disabled employees are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain them in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

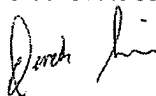
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to section 485 of the Companies Act 2006, KPMG Channel Islands Limited were appointed as auditor of the Group and have indicated their willingness to continue in office.

By order of the board



Derek Howie

Director

25 September 2023

14 Grosvenor Place
London
SW1X 7HH

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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 group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the UK 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 parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRS as adopted by the UK;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Member of the Insight Group Limited

Our opinion

We have audited the consolidated financial statements of Insight Group Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated and Company statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, consolidated and Company changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- are properly prepared in accordance with UK-adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company and Group in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our general sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. The Group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of fines or litigation or impacts on the Group and the Company's ability to operate. We identified the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The directors' report and strategic report

The directors are responsible for the strategic report and the directors' report. Our opinion on the consolidated financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our consolidated financial statements audit work, the information therein is materially misstated or inconsistent with the consolidated financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the consolidated financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 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.
- We have nothing to report in these respects.

Independent Auditor's Report to the Member of the Insight Group Limited (continued)

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's member, 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 member 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 its member, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Salisbury (Senior Statutory Auditor)

For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)

Chartered Accountants

Guernsey

26 September 2023

Consolidated Income Statement
for the year ended 31 December 2022

	<i>Note</i>	2022 £	2021 £
Revenue	6	93,807,927	30,665,147
Cost of sales		(58,589,744)	(21,456,964)
Gross profit		35,218,183	9,208,183
Other income	7	775,323	798,375
Distribution expenses	8	(6,832,131)	(3,745,394)
Administrative expenses	8	(25,683,328)	(11,725,432)
Other expenses	8	(2,721,410)	(2,374,446)
Operating profit/(loss)		756,637	(7,838,714)
Finance income		616,541	167,442
Finance expense		(364,789)	(923,729)
Net finance income/(expense)		251,752	(756,287)
Profit/(loss) before tax		1,008,389	(8,595,001)
Income tax (expense)/credit	9	(562,776)	1,108,938
Profit/(loss) for the year		445,613	(7,486,063)

All results relate to continuing operations.

The notes on pages 15 to 53 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2022

	2022 £	2021 £
Profit/(loss) for the year	445,613	(7,486,063)
Other comprehensive expense		
Items that may be subsequently reclassified to the income statement		
Foreign exchange translation differences	(330,179)	(323,804)
Other comprehensive expense for the year	(330,179)	(323,804)
Total comprehensive income/(expense) for the year	115,434	(7,809,867)

The notes on pages 15 to 53 form an integral part of these financial statements.

Consolidated and Company Statements of Financial Position
at 31 December 2022

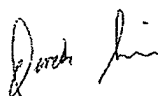
	<i>Note</i>	Group 2022 £	2021 £	Company 2022 £	2021 £
Non-current assets					
Intangible assets	10	234,460	359,820	-	-
Property, plant and equipment	11	2,296,798	2,572,154	-	-
Right-of-use assets	12	3,008,003	3,623,533	-	-
Investment in subsidiaries	25	-	-	2,282,754	2,282,754
Deferred tax assets	13	215,203	213,657	-	-
Amounts due from related parties	25	4,532,085	4,429,694	-	-
		<u>10,286,549</u>	<u>11,198,858</u>	<u>2,282,754</u>	<u>2,282,754</u>
Current assets					
Inventories	14	14,647	22,487	-	-
Trade and other receivables	15	6,428,391	6,469,437	-	-
Current tax recoverable		3,218,460	4,979,331	-	-
Amounts due from related parties	25	71,672,223	88,975,334	4,342,013	2,708,748
Cash and cash equivalents	16	34,064,783	36,504,010	-	-
		<u>115,398,504</u>	<u>136,950,599</u>	<u>4,342,013</u>	<u>2,708,748</u>
Total assets		<u>125,685,053</u>	<u>148,149,457</u>	<u>6,624,767</u>	<u>4,991,502</u>
Non-current liabilities					
Loans and borrowings	17	-	26,665,176	-	-
Lease liability	17	2,111,817	2,842,118	-	-
Amounts due to related parties	25	2,898,931	875,628	-	-
Deferred tax liabilities	13	141,747	136,471	-	-
		<u>5,152,495</u>	<u>30,519,393</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	19	17,059,418	14,143,926	15,000	-
Amounts due to related parties	25	49,839,093	36,655,173	1,615,287	60,100
Deferred income	20	33,114,515	47,576,038	-	-
Lease liability	17	1,178,289	911,457	-	-
Tax payable	9	3,770,229	2,887,890	33,674	21,689
		<u>104,961,544</u>	<u>102,174,484</u>	<u>1,663,961</u>	<u>81,789</u>
Total liabilities		<u>110,114,039</u>	<u>132,693,877</u>	<u>1,663,961</u>	<u>81,789</u>

The notes on pages 15 to 53 form an integral part of these financial statements.

Consolidated and Company Statements of Financial Position *(continued)*
at 31 December 2022

	<i>Note</i>	Group 2022 £	2021 £	Company 2022 £	2021 £
Equity					
Share capital	21	11,059,492	11,059,492	11,059,492	11,059,492
Share premium		6,617	6,617	6,617	6,617
Translation reserve		2,562,500	2,892,679	-	-
Other reserves		1,820,001	1,820,001	300,000	300,000
(Accumulated losses)/ Retained earnings		122,404	(323,209)	(6,405,303)	(6,456,396)
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity attributable to equity holders of the Company		15,571,014	15,455,580	4,960,806	4,909,713
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity and liabilities		125,685,053	148,149,457	6,624,767	4,991,502
		<hr/>	<hr/>	<hr/>	<hr/>

These financial statements were approved by the board of directors on 25 September 2023 and were signed on its behalf by:



Derek Howie
Director

Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital	Share premium	Other reserves	Translation reserve	(Accumulated losses) / Retained earnings	Total equity
	£	£	£	£	£	£
Balance at 1 January 2021	11,059,492	6,617	1,820,001	3,216,483	7,162,854	23,265,447
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(7,486,063)	(7,486,063)
Foreign exchange translation movements	-	-	-	(323,804)	-	(323,804)
Balance at 31 December 2021	11,059,492	6,617	1,820,001	2,892,679	(323,209)	15,455,580
Balance at 1 January 2022	11,059,492	6,617	1,820,001	2,892,679	(323,209)	15,455,580
Total comprehensive income for the year						
Profit for the year	-	-	-	-	445,613	445,613
Foreign exchange translation movements	-	-	-	(330,179)	-	(330,179)
Balance at 31 December 2022	11,059,492	6,617	1,820,001	2,562,500	122,404	15,571,014

The notes on pages 15 to 53 form an integral part of these financial statements.

Company Statement of Changes in Equity
 for the year ended 31 December 2022

	Share capital	Share premium	Other reserves	Accumulated losses	Total equity
	£	£	£	£	£
Balance at 1 January 2021	11,059,492	6,617	300,000	(6,502,468)	4,863,641
Total comprehensive income for the year					
Profit for the year	-	-	-	46,072	46,072
Balance at 31 December 2021	11,059,492	6,617	300,000	(6,456,396)	4,909,713
Balance at 1 January 2022	11,059,492	6,617	300,000	(6,456,396)	4,909,713
Total comprehensive (loss)/income for the year					
Profit for the year	-	-	-	51,093	51,093
Balance at 31 December 2022	11,059,492	6,617	300,000	(6,405,303)	4,960,806

The notes on pages 15 to 53 form an integral part of these financial statements.

Consolidated and Company Statements of Cash Flows
for the year ended 31 December 2022

	Note	2022 £	2021 £	2022 £	2021 £
Cash flows from operating activities					
Profit/(Loss) for the year		445,613	(7,486,063)	51,093	46,072
<i>Adjustments for:</i>					
Depreciation	8, 11, 12	1,535,920	1,590,337	-	-
Other movements on property, plant and equipment	11	-	3,353	-	-
Other movements on right-of-use assets	12	86,981	(124,041)	-	-
Amortisation of intangible assets	10	125,360	125,360	-	-
Profit/(loss) on sale of property, plant and equipment	8	3,219	(202)	-	-
Finance income		(451,806)	(167,442)	(92,578)	-
Finance expense		364,789	923,729	-	-
Income tax expense/(credit)	9	562,776	(1,108,938)	11,985	-
Unrealised foreign exchange gains and losses		(3,930,472)	251,978	-	-
Operating (loss)/profit before changes in working capital and provisions		(1,257,620)	(5,991,929)	(29,500)	46,072
Decrease/(increase) in inventories	14	7,501	(22,487)	-	-
Decrease/(increase) in trade and other receivables	15	1,800,142	635,648	-	(8,681)
(Decrease)/increase in trade and other payables	19	(9,674,744)	(3,402,901)	15,000	(37,391)
Cash used in operations		(9,124,721)	(8,781,669)	(14,500)	-
Interest paid		(364,789)	(923,729)	-	-
Tax paid		(1,876,059)	(2,086,734)	-	-
Net cash used in operating activities		(11,365,569)	(11,792,132)	(14,500)	-
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(162,630)	(121,963)	-	-
Purchase of right of use assets	12	-	(56,752)	-	-
Proceeds from sale of right of use assets		21,778	-	-	-
Proceeds from sale of property, plant and equipment		-	22,295	-	-
Finance income		451,806	167,442	92,578	-
Net cash generated from investing activities		310,954	11,022	92,578	-
Cash flows from financing activities					
Increase/(decrease) in loans and amounts due to related parties	17, 25	15,207,223	32,371,145	(78,078)	-
(Increase)/decrease in loans and amounts due from related parties	17, 25	17,200,720	-	-	-
Payment of lease liabilities	12, 17	(787,846)	(847,321)	-	-
Increase/(decrease) in bank loans		(26,665,176)	-	-	-
Net cash generated from/(used in)/ financing activities		4,954,921	31,523,824	(78,078)	-
Net increase/(decrease) in cash and cash equivalents		(6,099,694)	19,742,714	-	-
Cash and cash equivalents at 1 January	16	36,504,010	17,003,834	-	-
Effect of exchange rate changes on cash and cash equivalents		3,660,467	(242,538)	-	-
Cash and cash equivalents at 31 December	16	34,064,783	36,504,010	-	-

The notes on pages 15 to 53 form an integral part of these financial statements.

Notes to the Financial Statements

1 Reporting entity

Insight Group Limited (the "Company") was incorporated under the laws of the United Kingdom on 29 June 1898 and its registered office is 14 Grosvenor Place, London, SW1X 7HH. The principal activity of the subsidiaries is the sale of European and USA coach tours and other arrangements. The principal activity of the Company is that of a holding company.

Audit exemptions for subsidiary undertakings

The Company has given guarantees in regard to outstanding liabilities of the following subsidiary companies as at 31 December 2022 under Section 479C of the Companies Act 2006 (the "Act"), as these subsidiary companies are exempt from audit under Section 479A of the Act and are taking advantage of this exemption:

Insight Travel Services Limited	(1970858)
Evan Evans Tours Limited	(573747)
Evan Evans Transport Limited	(3131403)
Morag's Lodges Limited	(SC192271)
Radical Travel Group Limited	(SC136334)

2 Basis of preparation

These financial statements comprise the consolidated results of the Company and its subsidiaries (together referred to as the "Group") are prepared on a going concern basis. Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate. On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income, and related notes that form a part of these approved financial statements.

The Group has recognised a profit for the year of £445,613 (2021 loss: £7,468,063) and has net current assets of £10,436,960 (2021: net current assets of £34,776,115) at the year end. The Group has performed assessment of projections under various scenarios. That assessment has indicated that under the most severe downside case, which assumes bookings will not return to pre-COVID levels until 2024, the Group has sufficient resources comprising cash and cash equivalents, other highly liquid assets and unused credit lines available at the date of authorisation of these financial statements alongside an unencumbered property portfolio which at current consumption rate would enable the Group to maintain its operations for at least the 12 month period following signature of these accounts.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS"). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on the historical cost basis except for investments available for sale and financial assets and liabilities (including derivative instruments) which are measured at fair value.

These financial statements are presented in UK Sterling ("£") to the nearest pound, which is the Company's functional currency.

3 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While management believes that the amounts included in the financial statements reflect the best estimates and assumptions, actual results could differ from these estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in future periods are discussed in note 4(r).

Notes to the financial statements *(continued)*

4 Significant accounting policies

a) Basis of consolidation

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similarly identifiable assets.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement which is, where applicable, treated as equity or remeasured at fair value at the reporting date with changes recognised in profit or loss. 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 goodwill that may arise is reviewed annually for impairment in accordance with note 4h)i). Transaction costs are expensed as incurred unless related to any issuance of securities.

For the purpose of initial recognition, the Group recognises any ordinary non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions (except for foreign currency transaction gains or losses), are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by The TTC Group.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

b) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Intercompany management and other fees and rental income is recognised in accordance with contractual terms. Revenue from food and beverage and other retail is recognised at the transaction date. All other revenue streams are recognised in accordance with the completion of the tour, holiday, flight or accommodation. Contracts with customers, including the cancellation terms, becomes effective when the deposit is paid, and payment is received either in advance of the tour/ holiday in accordance with the cancellation terms, or if booked through an agent, in accordance with the respective credit agreement. Any monies received in advance will be accounted for as deferred income.

c) Foreign currency

Transactions denominated in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into 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 translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations are translated into Pound Sterling at exchange rates ruling at the statement of financial position date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on retranslation are recognised in the income statement except for differences arising on retranslation of investments held at fair value through other comprehensive income, which are recognised through other comprehensive income. The Group does not apply hedge accounting in respect of foreign currencies. No financial liabilities have been designated as a hedge in the net investment of a foreign operation and there are no qualifying cashflow hedges. Gains or losses resulting from foreign currency translation arising upon consolidation are recognised directly in equity and recorded in the foreign currency translation reserve.

d) Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

d) Financial instruments (continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Subsequent to initial recognition financial instruments are measured and gains and losses recognised as follows:

Financial assets at FVTPL	These are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial liabilities at FVTPL	These are subsequently measured at fair value. Net gains and losses, including any interest, are recognised in profit or loss.
Financial assets at amortised cost	These are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.
Financial liabilities at amortised cost	These are measured using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the financial instrument is impaired. The Group recognises loss allowances for ECL's on financial assets measured at amortised cost and contract assets. The allowance is determined based on lifetime expected credit losses on all outstanding amounts at year-end. Doubtful debts are provided for on initial recognition using an allowance account and are updated at the end of each reporting period, with such movement taken to profit or loss for the period.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

e) Intra-group financial instruments

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of companies within its Group, these are considered to be insurance arrangements and accounted for as such. The guarantee contract is treated as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

f) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Where shares are repurchased the consideration paid including directly attributable costs is recognised as a deduction from equity, and the shares are reclassified as treasury shares.

g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount is the cost of an asset less its residual value. Freehold land, where capable of separate identification, is not depreciated.

Freehold properties are depreciated over forty to fifty years. The residual value is assessed annually by management. Management consider long leaseholds as those leaseholds which have more than 20 years remaining on the lease term. Those leaseholds with 20 years or less remaining on the lease term are considered short leasehold and the carrying value is amortised over the remaining lease term.

Long leasehold properties commence depreciation when the remaining lease term falls below 20 years. The properties are assessed annually for impairment indicators to identify where residual value falls below cost. Freehold and leasehold improvements are capitalised where the expenditure can be reliably measured and is expected to create future economic benefits. Improvements are included in the Freehold Property category and depreciated over ten years. Expenditure relating to repairs and maintenance are recognised in profit or loss as incurred.

Assets under construction are not depreciated until brought into use. The estimated useful lives are as follows:

Included in Administrative expenses:

Freehold property	- Forty to fifty years
Plant and machinery	- Three to ten years

Notes to the financial statements *(continued)*

4 Significant accounting policies *(continued)*

h) Intangible assets and goodwill

i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in the income statement.

Goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Goodwill is treated as having an indefinite life and reviewed annually for impairment.

ii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement when incurred.

iv) Amortisation

Amortisation is recognised in administrative expenses in the income statement on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives for the current and comparative periods are as follows:

Licences	- Two years
Capitalised development costs	- Three years
Computer software	- Three to ten years

i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

i) Leases (continued)

i) As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in the statement of financial position and lease liabilities in loans and borrowings in the statement of financial position.

Rent concessions occurring as a direct consequence of COVID-19 are recognised in profit or loss within other income as lease concessions received.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition on a specific identification basis. Net realisable value is based on estimated selling price.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Statement of Cash Flows.

l) Impairment

Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. Further analysis can be seen in Note 24. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Income Statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss had been recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

m) Interest-bearing borrowings

Interest-bearing borrowings and government grants are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

n) Employee benefits

Defined benefit plans

The Group participates in a group defined benefit pension scheme, The TCI Pension Scheme, guaranteed by TTC Group, which was closed to new members from 1 May 2004. The assets of the scheme are held from those of the Group in separate trustee administered funds.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme deficit is recognised in full with the movement split between operating charges, finance items and in the statement of recognised income and expense, actuarial gains and losses.

Defined Benefit pensions for all active members of the TCI Pension Scheme Final Salary section ceased to accrue with effect from 1 May 2011 and Final Salary members became entitled to a deferred pension based on their pensionable service up to 1 May 2011 and their Final Pensionable Salary when they leave the company or reach the Normal Retirement Date (NRD) of 65 as defined in the Scheme rules. Benefits accrued in the TCI Pension Scheme Final Salary section of the Scheme up to 1 May 2011 will be protected under legislation and the Sponsoring and Participating Employers will continue to pay contributions to eliminate the funding deficit and ensure that benefits can be paid in full when they fall due.

Defined contribution plans

From 1 May 2004, the Group participated in a UK group defined contribution scheme, The assets of the scheme are held separately from those of the Group in separate trustee administered funds. The Group also contributes to a multi-employer, defined contribution occupational pension scheme for certain employees. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

o) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee benefit provision

The employee benefit provision is made within certain Group companies for the liability for employee entitlements arising from services rendered by employees up to and including the Statement of Financial Position date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount.

Other employee entitlements payable later than one year, have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

p) Other income and net finance income

Other income comprises lease concessions received as described in Note 5, government assistance and other sundry amounts. Government assistance and other sundry amounts are recognised on an accruals basis.

Net finance income comprises interest payable, interest receivable on funds invested and dividend income. Interest income and interest payable is recognised in the income statement as it accrues using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

q) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the financial statements (continued)

4 Significant accounting policies (continued)

r) Critical accounting judgements and estimates

Critical accounting estimates are those which involve the most complex and subjective judgements or assessments. The determination of these items requires management to make judgements based on information and financial data that may change in future periods.

Property, plant and equipment and intangible assets

Intangible assets (other than goodwill) and property, plant and equipment of £2,531,258 (2021: £2,931,974) are amortised or depreciated over their useful lives. Useful lives are based on management's estimates of the period over which the assets will generate revenue, and are periodically reviewed for continued appropriateness. Due to the long lives of certain assets, changes to the estimates used can result in significant variations in the carrying value.

The Group assess the impairment of property, plant and equipment and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- significant negative industry or economic trends.

Additionally, goodwill arising on acquisitions is subject to impairment review. The Group's management undertakes an impairment review annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Either on an annual basis, or when it is determined that there is an indicator that the carrying value may not be recoverable, impairment is measured based on estimates of the fair values of the underlying assets of the cash-generating unit.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to property, plant and equipment and intangible assets affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

Sensitivities to changes in the relevant assumptions where relevant are disclosed in Note 10.

Defined benefit pension scheme

As disclosed in Note 18, the Group sponsors a defined benefit pension scheme closed to new members and future accruals. Year-end recognition of the liabilities under this scheme and the return on assets held to fund these liabilities require a number of significant actuarial assumptions to be made including inflation rate, discount rate and mortality rates. Small changes in assumptions can have a significant impact on the expense recorded in the Consolidated Income Statement and on the pension liability held on the Consolidated Statement of Financial Position. Sensitivities to changes in these assumptions are disclosed in Note 18.

Notes to the financial statements *(continued)*

5 Changes in accounting policy and disclosures

a) Adoption of new and revised Standards

There were no new standards, amendments to or interpretations of standards effective for annual periods beginning 1 January 2022 which had a material impact on the financial statements

b) Upcoming pronouncements

There are no upcoming standards, amendments to or interpretations of standards effective for annual periods beginning 1 January 2023 which are expected to have a material impact on the financial statements.

Notes to the financial statements (continued)

6 Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	2022 £	2021 £
Tour Revenue	81,381,031	26,341,902
Management fees	11,416,931	3,492,098
Other	1,009,965	831,147
	<u>93,807,927</u>	<u>30,665,147</u>

7 Other income

	2022 £	2021 £
Government support received	40,437	798,375
Refund of Insurance Repatriation Fund	461,313	-
Sundry income	273,573	-
	<u>775,323</u>	<u>798,375</u>

Between 2020 and 2022, the Group received government assistance in the form of local wage subsidy schemes introduced in various countries in which the Group operates in response to the COVID-19 pandemic. The Group was entitled to the wage subsidy because it had shut down a majority of its operations. There are no unfulfilled conditions or other contingencies attaching to these amounts. There are no deferred or receivable amounts relating to the government assistance as at 31 December 2022 (2021: £Nil).

Notes to the financial statements (continued)

8 Expenses

Included in distribution, administrative and other expenses are the following charges:

	2022 £	2021 £
Salaries and wages	18,919,749	12,998,155
Pension cost	751,771	504,125
Depreciation of property, plant and equipment	509,033	590,757
Depreciation of right of use assets	1,026,887	999,580
Amortisation of intangible assets	125,360	125,360
Net (profit)/loss on sale of property, plant and equipment	3,219	202
Auditors' remuneration	231,076	193,658
Operating lease expense	834	10,651
Finance costs of right of use assets	137,485	133,623

Staff numbers and costs

The average number of persons employed by the Group during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Sales and services	239	246
Administration	85	86
	<u>324</u>	<u>332</u>

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Wages and salaries	17,624,442	12,061,497
Social security costs	1,295,306	936,657
Other pension costs	751,771	504,125
	<u>19,671,519</u>	<u>13,502,279</u>

The Company has no employees (2021:nil).

Remuneration of directors

	2022 £	2021 £
Directors' emoluments	126,105	113,241

Number of directors

	2022	2021
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	<u>2</u>	<u>2</u>

Notes to the financial statements (continued)

9 Income tax credit

	2022 £	2021 £
Current tax credit		
Current year credit	(25,308)	(2,895,572)
Adjustment in respect of prior periods	492,311	(251,679)
	<u>467,003</u>	<u>(3,147,251)</u>
Deferred tax charge		
Current year charge	20,148	1,890,853
Adjustment in respect of prior periods	75,625	147,460
	<u>95,773</u>	<u>2,038,313</u>
Total income tax credit/ (expense)	<u>562,776</u>	<u>(1,108,938)</u>
Reconciliation of effective tax rate		
	2022 £	2021 £
Profit/(Loss) for the year	1,008,389	(8,595,001)
Total income tax (expense)/credit	(562,776)	1,108,938
Profit/(Loss) excluding income tax	<u>445,613</u>	<u>(7,486,063)</u>
Tax using the UK corporation tax rate of 19% (2021: 19%)	(438,401)	(2,791,193)
Non-deductible expenses	37,713	154,706
Effect of tax losses	(33,385)	(160,953)
Other allowances	408,765	(98,133)
Adjustment in respect of prior years:		
Current	492,311	(251,679)
Deferred	75,625	147,460
Deferred tax adjustments	<u>20,148</u>	<u>1,890,854</u>
Total income tax credit	<u>562,776</u>	<u>(1,108,938)</u>

The rate of 19% continues to apply with effect from 1 April 2022. In 2023 the rate of corporation tax paid on company profits will increase to 25% except for small companies with profits of £50,000 and below.

Notes to the financial statements (continued)

10 Intangible assets

	Other intangible assets £	Total £
Cost		
Balance at 1 January 2021	626,798	626,798
Additions	-	-
	<hr/>	<hr/>
Balance at 31 December 2021	626,798	626,798
	<hr/>	<hr/>
Balance at 1 January 2022	626,798	626,798
Additions	-	-
	<hr/>	<hr/>
Balance at 31 December 2022	626,798	626,798
	<hr/>	<hr/>
Amortisation and impairment losses		
Balance at 1 January 2021	141,618	141,618
Charge for the year	125,360	125,360
	<hr/>	<hr/>
Balance at 31 December 2021	266,978	266,978
	<hr/>	<hr/>
Balance at 1 January 2022	266,978	266,978
Charge for the year	125,360	125,360
	<hr/>	<hr/>
Balance at 31 December 2022	392,338	392,338
	<hr/>	<hr/>
Net book value		
At 1 January 2021	485,180	485,180
	<hr/>	<hr/>
At 31 December 2021	359,820	359,820
	<hr/>	<hr/>
At 31 December 2022	234,460	234,460
	<hr/>	<hr/>

The above intangible asset consists solely of the PrioTicket system, which is a bespoke booking system of all key aspects of the subsidiary's business, including quotation, booking, purchasing and finance modules. The system began being amortised in November 2019 over 5 years on a straight-line basis.

Notes to the financial statements (continued)

11 Property, plant and equipment

	Freehold property	Short term Leasehold Property	Fixtures, office equipment, motor vehicles	Total
	£	£	£	£
Cost				
Balance at 1 January 2021	693,261	1,198,416	7,143,389	9,035,066
Effect of movements in foreign exchange	-	-	2,944	2,944
Additions	-	-	121,963	121,963
Transfers	108,041	(1,198,416)	1,083,378	(6,997)
Disposals	-	-	(108,046)	(108,046)
Balance at 31 December 2021	801,302	-	8,243,628	9,044,930
Balance at 1 January 2022	801,302	-	8,243,628	9,044,930
Effect of movements in foreign exchange	-	-	456,213	456,213
Additions	2,270	-	160,360	162,630
Disposals	-	-	(81,086)	(81,086)
Balance at 31 December 2022	803,572	-	8,779,115	9,582,687
Depreciation				
Balance at 1 January 2021	251,388	764,061	4,954,875	5,970,324
Effect of movements in foreign exchange	-	-	1,001	1,001
Depreciation charge for the year	24,505	-	566,252	590,757
Transfers	35,199	(764,061)	725,509	(3,353)
Disposals	-	-	(85,953)	(85,953)
Balance at 31 December 2021	311,092	-	6,161,684	6,472,776
Balance at 1 January 2022	311,092	-	6,161,684	6,472,776
Effect of movements in foreign exchange	-	-	381,946	381,946
Depreciation charge for the year	24,015	-	485,018	509,033
Disposals	-	-	(77,866)	(77,866)
Balance at 31 December 2022	335,107	-	6,950,782	7,285,889
Net book value				
At 1 January 2021	441,873	434,355	2,188,514	3,064,742
At 31 December 2021	490,210	-	2,081,944	2,572,154
At 31 December 2022	468,465	-	1,828,333	2,296,798

Notes to the financial statements (continued)

12 Leases and right-of-use assets

A. Leases as lessee (IFRS 16)

The Group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Information about leases for which the Group is a lessee is presented below.

i) Right-of-use assets

	Land & Buildings £	Fixtures & Fittings £	Other £	Total £
Balance at 1 January 2021	4,453,799	-	-	4,453,799
Transfers	(347,475)	347,475	-	-
Effects of movements in foreign exchange	(8,200)	(3,279)	-	(11,479)
Depreciation charge for the year	(889,453)	(110,127)	-	(999,580)
Additions to right-of-use assets	56,752	-	-	56,752
Other movements	96,873	27,168	-	124,041
Balance at 31 December 2021	3,362,296	261,237	-	3,623,533
Balance at 1 January 2022	3,362,296	261,237	-	3,623,533
Transfers	-	(6,622)	6,622	-
Effects of movements in foreign exchange	191,699	3,077	963	195,739
Depreciation charge for the year	(917,094)	(104,461)	(5,332)	(1,026,887)
Additions to right-of-use assets	244,737	53,375	26,265	324,377
Other movements	(86,981)	-	-	(86,981)
Disposals	(20,310)	-	(1,468)	(21,778)
Balance at 31 December 2022	2,774,347	206,606	27,050	3,008,003

ii) Amounts recognised in profit or loss

	2022 £	2021 £
Leases under IFRS 16		
Interest on lease liabilities	137,485	151,388

iii) Amounts recognised in statement of cash flows

	2022 £	2021 £
Leases under IFRS 16		
Total cash outflow for leases	787,846	847,321

Notes to the financial statements (continued)

13 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Property, plant and equipment	215,203	213,657	(141,747)	(136,471)	73,456	77,186
Tax assets / (liabilities)	215,203	213,657	(141,747)	(136,471)	73,456	77,186

Movement in deferred tax during the years presented are as follows:

	1 January 2022 £	Recognised in income £	31 December 2022 £	1 January 2021 £	Recognised in income £	31 December 2021 £
Property, plant and equipment	77,186	3,730	73,456	(63,335)	140,521	77,186
	77,186	3,730	73,456	(63,335)	140,521	77,186

14 Inventories

	2022 £	2021 £
Perishable goods	8,061	7,909
Goods for resale	528	337
Consumables	6,058	14,241
	14,647	22,487

Amounts of £133,835 (2021: £132,555) were recognised as an expense in cost of sales during the period.

Notes to the financial statements *(continued)*

15 Trade and other receivables

	2022 £	2021 £
Trade receivables	2,652,113	949,556
Prepayments and accrued income	3,608,588	2,510,239
Other receivables	167,690	3,009,642
	<u>6,428,391</u>	<u>6,469,437</u>
	<u><u>6,428,391</u></u>	<u><u>6,469,437</u></u>
Receivables are denominated in the following currencies:		
	2022 £	2021 £
United States Dollars	2,885,836	5,287,923
Australian Dollars	729,817	54,172
Singapore Dollars	393,955	180,366
Canadian Dollars	90,051	85,886
UK Sterling	2,328,732	861,090
	<u>6,428,391</u>	<u>6,469,437</u>
	<u><u>6,428,391</u></u>	<u><u>6,469,437</u></u>

Notes to the financial statements *(continued)*

16 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	34,064,783	36,504,010
Cash and cash equivalents per statement of cash flows	<u>34,064,783</u>	<u>36,504,010</u>

Included in the Group cash balances are amounts denominated as follows:

	£ equivalent balance		Effective interest rate	
	2022 £	2021 £	2022 %	2021 %
UK Sterling	3,402,837	1,881,612	0.0	0.0
United States Dollars	12,846,836	27,730,823	0.0	0.2
Australian Dollars	3,909,159	119,999	1.8	0.0
Euro	143,986	-	0.0	-0.3
Singapore Dollars	4,985,154	751,017	0.0	0.0
Canadian Dollars	8,765,862	6,020,559	0.0	0.3
Other	10,949	-		
	<u>34,064,783</u>	<u>36,504,010</u>		

Notes to the financial statements (continued)

17 Loans and borrowings

	2022 £	2021 £
Non-current liabilities		
Secured bank loans	-	26,665,176
Lease liabilities	2,111,817	2,842,118
	<u>2,111,817</u>	<u>29,507,294</u>
Current liabilities		
Lease liabilities	1,178,289	911,457
	<u>1,178,289</u>	<u>911,457</u>

Bank loans

During 2020 the group received government assistance in the form of government backed loans. There are no unfulfilled conditions and other contingencies attached to government assistance. Included in non-current bank loans in 2021 are the following government loans:

USD Nil (2021: USD36,093,527) received by Travcorp USA Inc. It bears interest of 3 Month LIBOR + 3% and matures in 2025. This was repaid in February 2022.

Lease liabilities

	Nominal interest rate	Year of maturity	Face Value 2022 £	Carrying Amount 2022 £	Face Value 2021 £	Carrying Amount 2021 £
Lease liabilities	3.82%	2023 - 2028	3,152,621	3,290,106	3,602,187	3,753,575

Lease liabilities are denominated in the following currencies:

	2022 £	2021 £
United States Dollars	733,995	910,459
United Kingdom Sterling	1,733,774	1,840,450
Singapore Dollars	822,337	1,002,666
	<u>3,290,106</u>	<u>3,753,575</u>

Notes to the financial statements *(continued)*

17 Loans and borrowings *(continued)*

A reconciliation of movements of liabilities to cash flows arising from financing activities is presented below;

	Lease liabilities £	Loans and Borrowings £
Balance at 1 January 2021	4,636,027	25,666,395
Interest on lease liabilities/ bank loan	56,752	998,781
Payment of lease liabilities	(939,204)	-
	<hr/>	<hr/>
Balance at 31 December 2021	3,753,575	26,665,176
	<hr/>	<hr/>
Balance at 1 January 2022	3,753,575	26,665,176
Interest on lease liabilities/ bank loan	137,485	279,931
Change in lease liabilities	(186,892)	-
Payment of lease liabilities	(787,846)	(26,945,107)
	<hr/>	<hr/>
Balance at 31 December 2022	3,290,106	-
	<hr/>	<hr/>

Notes to the financial statements (continued)

18 Pension plans

USA Pension plan

Insight Vacations Inc, together with Contiki US Holdings Inc, Trafalgar Tours USA, Inc and Trafalgar Tours West Inc, fellow subsidiaries of The Travel Corporation Limited have a pension plan qualified under Section 401(k) of the Internal Revenue Code of 1986 (the "401(k) plan"). Contributions to the 401(k) plan for eligible employees are funded solely through participant's salary reduction elections.

UK Pension plans

The Group contributes to a UK pension scheme, open to executive UK employees, subject to the discretion of the employers. The scheme comprises a defined benefit scheme, which was closed to new members from 1 May 2004 and closed to further accrual from 1 May 2011, and a defined contribution scheme, which was opened from 1 May 2004. The assets are held in separate trustee administered funds. No pension liability is recognised on the balance sheet as this liability is held by the parent company, The Travel Corporation Limited.

The defined benefit group plan is accounted for as a defined contribution scheme in these accounts as there is no contractual agreement allocating the cost of the scheme, although it is accounted for as a defined benefit scheme by the ultimate controlling party.

The assets of the defined benefit scheme have been certified by a qualified actuary at a triennial valuation at 1 May 2022 as being capable of meeting the liabilities of the scheme as they fall due.

The value of the scheme's assets at 1 May 2022 was £30,516,000 which represented 84% of the present value of past service liability, based on projected pensionable salaries.

To deal with the deficit, the participating employers have agreed to pay deficit contributions per month of £91,801 rising from 1st May each year in line with the Retail Prices Index in order to eliminate the shortfall by 31 May 2026.

During the year ended 31 December 2022 £407,232 was charged against profits in respect of the defined benefit scheme (2021: £131,162), and £249,580 was charged against profits in respect of the defined contribution scheme (2021: £291,695). The contribution paid by the entity has been estimated based on the membership of the scheme at the date that future accrual ceased and adjusted for length of membership of the company if appropriate.

The scheme holds 17% (as at the balance sheet date) (2021: 13%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 23% (2021: 11%).

	2022 £	2021 £
Present value of funded defined benefit obligations	25,471,000	41,163,000
Fair value of plan assets	(28,253,000)	(33,453,000)
	<hr/>	<hr/>
Net (asset)/ liability	(2,782,000)	7,710,000
	<hr/>	<hr/>
<i>Movement in the present value of the defined benefit obligation:</i>		
	2022 £	2021 £
Liability for defined benefit obligations at 1 January	41,163,000	44,773,000
Interest cost	774,000	572,000
Benefits paid by the plan	(817,000)	(1,502,000)
Actuarial losses/(gains) recognised in equity	(15,649,000)	(2,680,000)
	<hr/>	<hr/>
Liability for defined benefit obligations at 31 December	25,471,000	41,163,000
	<hr/>	<hr/>

Notes to the financial statements (continued)

18 Pension plans (continued)

Movement in fair value of plan assets:

	2022 £000	2021 £000
Fair value of plan assets at 1 January	33,453	30,230
Employer contributions	641	387
Interest cost	1,370	524
Benefits paid by the plan	(817)	(1,502)
Actuarial losses/(gains) recognised in equity	(6,394)	3,814
	<hr/>	<hr/>
Fair value of plan assets at 31 December	28,253	33,453
	<hr/> <hr/>	<hr/> <hr/>

Expense recognised in statement of comprehensive income:

	2022 £000	2021 £000
Interest cost	133	186
	<hr/>	<hr/>
	133	186
	<hr/> <hr/>	<hr/> <hr/>

Plan assets consist of the following:

	2022 £000	2021 £000
Equity securities	20,892	24,490
Bonds	5,408	5,201
Property	1,035	1,173
Cash	918	2,589
	<hr/>	<hr/>
	28,253	33,453
	<hr/> <hr/>	<hr/> <hr/>

	2022 £000	2021 £000
Interest credit (on plan assets)	641	387
Actual return (on plan assets)	(5,753)	4,200
	<hr/>	<hr/>

Notes to the financial statements (continued)

18 Pension plans (continued)

Actuarial assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages) were as follows:

	2022 %	2021 %
Discount rate	4.8	1.9
Future salary increases	3.1	3.7
Future pension increases on benefits accrued from 1997 to 2008	3.7	3.7
Future pension increases on benefits accrued post 2008	3.0	3.1
Rate of increase on deferred pensions	2.5	3.0
Retail Price Inflation - pre-retirement	3.1	3.7
Retail Price Inflation - post-retirement	3.2	3.0
Consumer Price Inflation - pre-retirement	2.5	3.0

The history of the plans for the current and prior periods is as follows:

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Present value of the defined benefit obligation	(25,471)	(41,163)	(44,773)	(40,988)	(36,468)	(44,689)
Fair value of plan assets	28,253	33,453	30,230	27,344	22,651	27,331
Surplus/ (Deficit) in the plan	2,782	(7,710)	(14,543)	(13,644)	(13,817)	(17,358)
Experience adjustments on plan liabilities	(0.4%)	(0.5%)	1.3%	1.6%	1.4%	2.5%
Experience adjustments on plan assets	(22.6%)	11.4%	8.6%	14.1%	(8.0%)	5.5%

Notes to the financial statements *(continued)*

19 Trade and other payables

	2022 £	2021 £
Trade payables	2,039,522	773,255
Other payable and accruals	15,019,896	13,370,671
	<u>17,059,418</u>	<u>14,143,926</u>

Payables, excluding accruals and deferred income, are denominated in the following currencies:

	2022 £	2021 £
United States Dollars	6,843,478	7,373,237
Australian Dollars	146,109	79,940
Singapore Dollars	7,730,472	5,909,022
United Kingdom Sterling	1,985,263	766,846
Canadian Dollars	354,096	14,881
	<u>17,059,418</u>	<u>14,143,926</u>

Insight Group Limited has accruals and deferred income of £15,000 (2021: nil).

20 Deferred income

	2022 £	2021 £
Deferred income	33,114,515	47,576,038
	<u>33,114,515</u>	<u>47,576,038</u>

Deferred income consists of amounts received in advance for tours due to depart in future financial years.

Notes to the financial statements (continued)

21 Share capital

	2022 £	2021 £
Authorised:		
12,211,000 Ordinary shares of £1 each	12,211,000	12,211,000
289,000 Cumulative preference shares of £1 each	289,000	289,000
Allotted, called up and fully paid:		
10,771,275 Ordinary shares of £1 each	10,771,275	10,771,275
288,217 Cumulative preference shares of £1 each	288,217	288,217
	<hr/>	<hr/>
	11,059,492	11,059,492
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of preference shares are entitled to receive dividends as declared from time to time and are not entitled to vote at meetings of the Company.

The 3.5% cumulative shares are non-participating and non-redeemable. The majority holder of the Cumulative preference shares has waived all rights to a dividend until such time as the notice of waiver is revoked. The dividend on the remainder of these shares is twenty-five years in arrears in the sum of £40,058 (2021: £38,456).

Rights of the holders of the Cumulative preference shares

Any profits of the Company deemed as available for distribution shall first be applied in paying the fixed cumulative preference dividend. On any return of capital being made, the holders of the Cumulative preference shares shall be entitled to receive in full the amounts paid up on the participation in the profits or assets of the Company, they shall not be entitled to receive any notice of or attend any General Meeting of the Company, unless the business of the meeting includes the consideration of a resolution to wind up the Company or to sanction the sales of the undertaking of the Company or to vary any of the special rights attached to the shares or where any dividend or part thereof is more than six months in arrears.

22 Nature and purpose of reserves

The nature and purpose of reserves presented on the Consolidated Statement of Changes in Equity are as follows:

i) Foreign currency translation reserve

This reserve comprises all foreign currency differences arising from the translation of the financial statements of non-Pound Sterling denominated operations, along with the translation differences arising on defined benefit scheme actuarial gains.

ii) Other reserves

This reserve comprises amounts relating to historic reallocation of preference share adjustments.

23 Dividends

	2022 £	2021 £
£ Nil per Preference share (2021: £ Nil)	-	-
	<hr/>	<hr/>
Dividends declared to non-controlling interests	-	-
	<hr/>	<hr/>

Notes to the financial statements (continued)

24 Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy, except where the carrying amount is a reasonable approximation of fair value. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There have been no transfers recognised during the year (2021: Nil). There is no material difference between fair value and carrying amount.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2022 (£)	Mandatorily at FVTPL	Carrying amount				Fair value			Total
		FVOCI - debt instruments	FVOCI- equity instruments	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3	
Financial assets measured at fair value									
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	-	34,064,783	-	-	-	-	-
Trade and other receivables	-	-	-	6,428,391	-	-	-	-	-
Amounts due from related parties	-	-	-	76,204,308	-	-	-	-	-
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	-	(17,059,418)	-	-	-	-
Amounts due to related parties	-	-	-	-	(52,738,024)	-	-	-	-
Lease liabilities	-	-	-	-	(3,290,106)	-	-	-	-

Notes to the financial statements (continued)

24 Financial instruments (continued)

31 December 2021 (£)	Mandatorily at FVTPL	FVOCI - debt instruments	Carrying amount		Financial assets at amortised cost	Other financial liabilities	Fair value		
			FVOCI- equity instruments				Level 1	Level 2	Level 3
Financial assets measured at fair value									
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	-	36,504,010	-	-	-	-	-
Trade and other receivables	-	-	-	6,469,437	-	-	-	-	-
Amounts due from related parties	-	-	-	93,405,028	-	-	-	-	-
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	-	-	(26,665,176)	-	-	-
Trade and other payables	-	-	-	-	-	(14,143,926)	-	-	-
Amounts due to related parties	-	-	-	-	-	(37,530,801)	-	-	-
Lease liabilities	-	-	-	-	-	(3,753,575)	-	-	-

Notes to the financial statements (continued)

24 Financial instruments (continued)

The following table shows the valuation techniques used in measuring Level 2 fair values for significant financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Impact on fair value
Other investments	Net Asset Value at the reporting date as practical expedient	Fund NAV	Increased NAV will increase fair value of non-listed investments
Loans and borrowings	Cash flow model: present value of future principal and interest cash flows	Interest rates disclosed in Note 17	Increase in interest rate will increase fair value

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group's capital consists of its ordinary shares and its treasury shares for capital management purposes. The Group manages its capital structure and makes adjustments to it, in light of changing economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Management believes the Group has met its capital management objectives for the year under review. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group is exposed to the following risks from the use of financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

This note presents information about the Group's exposure to each of the above risks, and their objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment, development and monitoring of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks they face, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Directors believe that the Group is not exposed to any significant concentration of credit risk with no significant change in risk make up despite the effects of the pandemic. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Notes to the financial statements *(continued)*

24 Financial instruments *(continued)*

The maximum exposure to credit risk at the reporting date was:

a) Credit risk (continued)

	2022 £	2021 £
Trade receivables	2,652,113	949,556
Other receivables	167,690	3,009,642
Cash and cash equivalents	34,064,783	36,504,010
	<u>36,884,586</u>	<u>40,463,208</u>
	<u>2022</u>	<u>2021</u>
	£	£
Company		
Amounts due from related parties	4,342,013	2,708,748
	<u>4,342,013</u>	<u>2,708,748</u>

There are no impairment losses recognised in relation to these assets.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2022 £	2021 £
United Kingdom	1,594,372	285,319
USA	820,412	654,614
Canada	411	(151)
Australia	236,918	9,774
	<u>2,652,113</u>	<u>949,556</u>

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Ageing and impairment losses:

At the reporting date, there are no significant overdue debts. Based on historic default rates, the Group and Company believe that no impairment allowance is necessary in respect of trade and other receivables and amounts due from related parties that are not past due.

Notes to the financial statements (continued)

24 Financial instruments (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet their liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group

31 December 2022	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	£	£	£	£	£	£	£
Non-derivative financial liabilities:							
Amounts due to related parties	52,738,024	52,738,024	49,839,093	-	-	2,898,931	-
Trade and other payables	17,059,418	17,059,418	17,059,418	-	-	-	-
	<u>69,797,442</u>	<u>69,797,442</u>	<u>66,898,511</u>	<u>-</u>	<u>-</u>	<u>2,898,931</u>	<u>-</u>
31 December 2021	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	£	£	£	£	£	£	£
Non-derivative financial liabilities:							
Secured bank loans	26,665,176	26,665,176	26,665,176	-	-	-	-
Amounts due to related parties	37,530,801	37,530,801	36,655,173	-	-	875,628	-
Trade and other payables	14,143,926	14,143,926	14,143,926	-	-	-	-
	<u>78,339,903</u>	<u>78,339,903</u>	<u>77,464,275</u>	<u>-</u>	<u>-</u>	<u>875,628</u>	<u>-</u>

Company

31 December 2022	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	£	£	£	£	£	£	£
Amounts due to related parties	1,615,287	1,615,287	1,615,287	-	-	-	-
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
31 December 2021	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	£	£	£	£	£	£	£
Amounts due to related parties	60,100	60,100	60,100	-	-	-	-
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

Steps taken by the Group to respond to the challenges of the COVID-19 pandemic include ongoing preparation of management information regarding short to medium term cash requirements, reducing or cancelling discretionary spend, reducing headcount etc. No significant additional financing was deemed to be required by the year end by management. The Group expects to be able to access additional funding through existing lenders at market interest rates as necessary.

Notes to the financial statements (continued)

24 Financial instruments (continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk within acceptable parameters, while optimising the return.

Foreign exchange risk

The Group and Company are exposed to foreign exchange risk arising from currency exposure, primarily with respect to United States Dollars, Australian Dollars, Canadian Dollars, Euro, Singapore Dollars and Swiss Francs. The Group uses forward exchange contracts to hedge their exposure to foreign currency risk in the local reporting currency. Movements in foreign currency would have no effect on the results of the Company.

The following significant exchange rates applied during the year:

	Average rate 2022	2021	Reporting date spot rate 2022	2021
Australian dollars	1.7775	1.8322	1.7762	1.8624
Canadian dollars	1.6028	1.7245	1.6385	1.7131
Euros	1.1720	1.1634	1.1276	1.1898
New Zealand dollars	1.9445	1.9454	1.9058	1.9773
Singapore dollars	1.6985	1.8484	1.6218	1.8254
US dollars	1.2315	1.3753	1.2102	1.3536

A 14.66% (2021: 10%) strengthening of the following currencies against UK Sterling at 31 December would have increased/ (decreased) equity and profit by the amounts shown below. A 14.66% (2021: 10%) weakening of the foreign currencies against the UK Sterling at 31 December would have the equal but opposite effect on the above currencies to the amounts shown below, on the basis that all other variables remain constant.

	2022		2021	
	Profit or loss £	Equity £	Profit or loss £	Equity £
US Dollars	14,945,709	-	11,289,033	-
Australian Dollar	2,221,549	-	1,504,907	-
Canadian Dollar	1,755,478	-	693,623	-
Other	1,487,667	-	312,182	-
	<u>20,410,403</u>	<u>-</u>	<u>13,799,745</u>	<u>-</u>

Notes to the financial statements (continued)

24 Financial instruments (continued)

c) Market risk (continued)

Interest rate risk

Interest income on cash deposits is exposed to fluctuations in the market rate of interest. Amounts due to and from related parties are interest free and consequently the Company and the Group is not exposed to interest rate risk on those balances. The Group's finance lease liabilities are generally charged at a fixed rate of interest and are not exposed to interest rate risk.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2022 £	2021 £
Fixed rate instruments		
Financial liabilities – loans and borrowings	-	26,665,176
Financial liabilities – lease liabilities	3,290,106	3,753,575
	<u>3,290,106</u>	<u>30,418,751</u>
Variable rate instruments		
Financial assets – cash and cash equivalents	34,064,783	36,504,010
	<u>34,064,783</u>	<u>36,504,010</u>

Fair value sensitivity analysis for fixed rate instruments

The Group do not account for any fixed rate financial assets and liabilities at fair value through the income statement. Therefore a change in interest rates at the reporting date would not affect the income statement.

Cash flow sensitivity analysis for variable rate instruments

A change of 1.78% (2021: 1%) in interest rates at the reporting date would have increased/ (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit 1.78% increase £	Profit 1.78% decrease £	Equity 1.78% increase £	Equity 1.78% decrease £
31 December 2022				
Variable rate instruments	676,909	(822)	-	-
	<u>676,909</u>	<u>(822)</u>	<u>-</u>	<u>-</u>
Cash flow sensitivity	<u>676,909</u>	<u>(822)</u>	<u>-</u>	<u>-</u>
31 December 2021				
Variable rate instruments	392,067	(338,013)	-	-
	<u>392,067</u>	<u>(338,013)</u>	<u>-</u>	<u>-</u>
Cash flow sensitivity	<u>392,067</u>	<u>(338,013)</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

25 Investment in subsidiaries and related party transactions and balances

The Company has the following investments in subsidiaries:

			2022 £	2021 £
Investment in subsidiaries			2,282,754	2,282,754
			<u> </u>	<u> </u>
<i>Company</i>	Country of registration	Class of shares held	Ownership	
			2022	2021
Insight International Tours Limited	Scotland	Ordinary	100%	100%
Evan Evans Tours Limited	England and Wales	Ordinary	100%	100%
Evan Evans Transport Limited	England and Wales	Ordinary	100%	100%
Insight Vacations Limited	Scotland	Ordinary	100%	100%
Insight Travel Services Limited	England and Wales	Ordinary	100%	100%
Busabout (UK) Limited	England and Wales	Ordinary	100%	100%
Group				
Insight International Tours Limited	Scotland	Ordinary	100%	100%
Insight Vacations Inc.	USA	Ordinary	100%	100%
Destination America Inc.	USA	Ordinary	100%	100%
Travcorp U.S.A Inc.	USA	Ordinary	100%	100%
Destination America Tours Ltd	Canada	Ordinary	100%	100%
Insight Vacations Pty Limited	Australia	Ordinary	100%	100%
Insight Vacations (Canada) Limited	Canada	Ordinary	100%	100%
Evan Evans Tours Limited	England and Wales	Ordinary	100%	100%
Evan Evans Transport Limited	England and Wales	Ordinary	100%	100%
Insight Vacations Limited	Scotland	Ordinary	100%	100%
Insight Travel Services Limited	England and Wales	Ordinary	100%	100%
Busabout (UK) Limited	England and Wales	Ordinary	100%	100%
Radical Travel Group Limited	Scotland	Ordinary	100%	100%
Morag's Lodges Limited	Scotland	Ordinary	100%	100%
The Travel Corporation (2011) Pte Ltd	Singapore	Ordinary	100%	100%
Shamrock Adventures Limited*	Republic of Ireland	Ordinary	100%	100%

*During 2021, the decision was taken to wind down the activities of Shamrock Adventures Limited and for the company to be dissolved in due course. The entity was dissolved effective 8 February 2023.

Related Party Transactions during the year

Compensation of the Group's key management personnel includes directors' emoluments and retirement benefits as disclosed in Note 8. During the year the Group companies received services from other members of the TTC Group in the ordinary course of business as follows:

	2022 £	2021 £
Tours purchased	53,368,488	78,517
Management services	11,626,919	3,968,461

During the year the Group companies provided services to other members of The Travel Corporation Limited in the ordinary course of business as follows:

	2022 £	2021 £
Tour and sightseeing sales	2,146,562	22,788,982
Management services	6,863,860	3,652,042

Notes to the financial statements (continued)

25 Investment in subsidiaries and related party transactions and balances (continued)

Related Party Balances at the Statement of Financial Position Date

Amounts due to related parties – Current Liabilities

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Due to related parties				
Insight Travel Group Ltd	9,969,121	1,272,434	1,555,187	-
Trafalgar Tours West Inc	5,543,967	2,238,234	-	-
TTC Travel Group Ltd	2,061,339	4,266,653	-	-
Contiki (US) Holdings Inc	1,264,865	1,014,935	-	-
Grand European Tours (2003) Inc	2,087	870,063	-	-
Contiki Holidays (Aus) Pty Ltd	1,208,365	1,154,976	-	-
Trafalgar Tours International Ltd	27,759,749	21,143,929	-	-
TTC Trafalgar Tours Australia Pty Ltd	1,669,017	1,522,965	-	-
TTC Consol Pty Ltd	-	231,704	-	-
Other related companies	360,583	2,939,280	60,100	60,100
	<u>49,839,093</u>	<u>36,655,173</u>	<u>1,615,287</u>	<u>60,100</u>

Amounts due to related parties – Non-Current Liabilities

	Group	
	2022	2021
	£	£
Due to related parties		
Insight Travel Group Ltd	2,898,931	875,628
	<u>2,898,931</u>	<u>875,628</u>

Also included in the above balances are the following UK sterling equivalent balances held in other currencies:

	Group	
	2022	2021
	£	£
Due to related parties		
Canadian dollars	4,558,878	900,962
US dollars	37,623,639	32,389,520
Singapore dollars	4,645,552	1,667
Australian dollars	2,916,519	2,818,235
	<u>45,744,588</u>	<u>36,110,384</u>

Notes to the financial statements (continued)

25 Investment in subsidiaries and related party transactions and balances (continued)

Amounts due from related parties - Current Assets

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Due from related parties				
Travcorp Financial Services Limited	7,357,236	7,287,786	-	-
801 East Katella Inc	4,358	2,262,162	-	-
5551 East Katella Inc	5,622,163	4,715,743	-	-
Insight Travel Group Ltd	48,514,241	65,172,940	2,700,067	2,575,512
Insight Travel Services Ltd	-	-	6,302	6,302
Insight International Tours Ltd	-	-	1,635,644	126,934
Travcorp Management Services Ltd	432,483	1,834,158	-	-
Trafalgar Tours International Ltd	144,715	728,125	-	-
Grand European Tours (2003) Inc	481,632	-	-	-
Uniworld River Cruises Inc	1,970,148	155,617	-	-
Contiki Tours International Ltd	332,579	551,770	-	-
TTC Travel Group Ltd	1,992,943	665,157	-	-
The Travel Corporation (PTY) Ltd	939,429	388,029	-	-
Red Carnation Hotels (UK) Ltd	1,119,650	786,962	-	-
Other related companies	2,760,646	4,426,885	-	-
	<u>71,672,223</u>	<u>88,975,334</u>	<u>4,342,013</u>	<u>2,708,748</u>

Amounts due from related parties - Non-Current Assets

	Group	
	2022	2021
	£	£
Due from related parties		
210 Albert Road Limited	4,532,085	4,429,694
	<u>4,532,085</u>	<u>4,429,694</u>

Included in the above balances are the following UK sterling equivalent balances held in other currencies:

	Group	
	2022	2021
	£	£
Due from related parties		
Canadian dollars	59,314	672,990
US dollars	50,588,095	62,884,064
Australian dollars	5,684,278	9,175,955
Singapore dollars	1,848,907	2,681,313
	<u>57,080,594</u>	<u>73,314,312</u>

Notes to the financial statements *(continued)*

26 Post Balance Sheet Events

There were no events that occurred after the reporting period up to the date of approval of these consolidated financial statements that would require a change to, or disclosure in, the consolidated financial statements.

27 Streamlined Energy and Carbon Reporting

The Group is not obligated to comply with the Streamlined Energy and Carbon Reporting as the majority of its operations occur in the United States of America, where this is not a requirement.

28 Ultimate Parent Company

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands.

The largest group in which the results of the company are consolidated is that headed by The Travel Corporation Limited. The financial statements of this company are not available to the public. The smallest group in which they are consolidated is that headed by TTC Travel Group Limited, a company registered in Guernsey. The financial statements of this company are not available to the public.