

Crown Blue Line Limited
Reports of the Directors and financial statements
for the year ended 30 September 2019
Company number 946385



The Directors present their Strategic and Directors' Reports on the financial statements of Crown Blue Line Limited (the "Company") for the year ended 30 September 2019. The Company is a wholly owned subsidiary within the Travelopia Group of companies ("the Group"), headed in the UK by Tim Intermediateco Limited (renamed Travelopia Group Holdings Limited with effect from 1 May 2020).

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of a provider of inland waterways boating holidays operating this activity through branches located in France and the United Kingdom.

Review of the business

The Company's loss on ordinary activities before taxation for the year ended 30 September 2019 was £695,569 (2018 profit: £1,115,879). A dividend of £3,163,986 was paid during the year (2018: £nil) and the Directors do not recommend the payment of a final dividend.

To effectively measure the development, performance and position of the Company, the following Key Performance Indicators (KPIs) are of most relevance:

| | 2019 | 2018 |
|--|-------------------|-------------------|
| | £ | £ |
| Revenue | 15,045,075 | 14,900,082 |
| (Loss)/profit on ordinary activities before taxation | (695,569) | 1,115,876 |
| Net assets | <u>57,263,000</u> | <u>61,635,192</u> |

Compared to the previous year, revenue increased by 0.98%. Operating profit decreased by 26.36%, the increase in operating and administration cost was mainly driven to by the movements of foreign exchange, boat insurance, diesel costs at the bases and group management recharges.

Cash and cash equivalents have decreased by £7,089,681 during the year mainly driven by a dividend payment of £3,163,986 and cash transferred to fellow group companies. Trade and other receivables have increased mainly due to an outstanding intercompany balance not settled by a fellow Group company.

An impairment of £2,377,924 in investments was due to a reduction in net assets in the Company's subsidiary.

Funding, liquidity, post balance sheet events and going concern

At 30 September 2019, the Company has net assets of £57,263,000 (2018: £61,635,192) and net current assets of £17,664,623 (2018: £19,887,988).

Subsequent to the year end and up to the date of signing these financial statements, the rapid global escalation of the Covid-19 coronavirus from late February 2020 resulting in significant global travel restrictions, has impacted the Company's, the Group's and our suppliers' ability to fully deliver and operate its core products.

The Company and the Group's Directors are monitoring the situation closely, drawing up and implementing plans to mitigate the impact of the operational risks where possible, including cancellation, postponement and rebooking of our holidays, together with numerous cost reduction actions, with the intention of reducing losses and cash outflows subsequently arising. Both the Company and the Group have plans in place for a recovery and return to growth after the impact of the virus but there will be a significant impact on trading and results while global travel restrictions are in place and likely in the immediate period thereafter.

Until the outbreak of Covid-19, the Group was on course to deliver double digit EBITDA (Earnings before interest, tax, depreciation and amortisation) growth against prior year for the year ending 30 September 2020. Whether the Company is able to operate further holidays in the remainder of the year and thereafter will be dependent on a number of factors, including government restrictions in the UK and European countries, customers' willingness to travel, and the ability of suppliers to provide the required services and as a result, the Company is now forecasting nothing in the way of revenue for the second half of this financial year, other than cancellation revenue, unless travel restrictions start to be lifted.

These financial statements are prepared on a going concern basis as Tim Intermediateco Limited has agreed to provide financial support to the Company if it should be required, in order that it can continue to trade and meet its liabilities as they fall due.

STRATEGIC REPORT (continued)

Funding, liquidity, post balance sheet events and going concern (continued)

As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of the Group to determine the appropriateness of preparing the financial statements on a going concern basis, further details of which are provided in Note 2 of these financial statements. Following this assessment, the Directors of the Company are confident that the Group can continue as a going concern and have concluded it is appropriate to prepare these financial statements on a going concern basis.

Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101")

The Company adopted FRS 101 for the year ended 30 September 2016 and continues to use this basis of accounting.

Principal risks and uncertainties

The principal risks and uncertainties which are common to the Group and the Company are:

- **Consumer demand and destination disruption risk.** Providers of holiday and travel services are exposed to the inherent risk of domestic and international incidents affecting their operations at those destinations. This can include pandemics and outbreaks of disease such as Covid-19 Coronavirus natural disasters and terrorism which can impact both the demand for our holidays and the destination. The Company aims to mitigate this risk and limit exposure by having geographically spread destinations but a knowledge that global pandemics such as Covid-19 Coronavirus are more difficult to mitigate against effectively.
- **Economic outlook and booking patterns.** Spending on travel and tourism is discretionary and price sensitive. The economic outlook remains uncertain in our different source markets. Consumers are also waiting longer to book their trips in order to assess their financial situation. If we do not respond successfully to changes in consumer demands and preferences, our short-term growth rates and margins will fall below expectations.
- **Brexit.** The UK's recent departure from the EU continues to create uncertainty, including foreign exchange rate volatility and the short to medium term outlook for the UK economy. This uncertainty is impacting demand for overseas holidays in the Company's UK source market and creates some risk to the financial performance of the Company.
- **Market Risk.** The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. Consumer tastes and preferences have evolved in recent years as well, with more consumers booking their holidays online and via mobiles and tablets, and booking closer to the time of travel. There is the risk that if we do not respond adequately to such business model disruption or if our products and services fail to meet changing customer demands and preferences, that our turnover, market share and profitability will suffer as a result.
- **Input cost volatility.** A significant proportion of operating expenses is in non-local currency which therefore exposes the business to changes in both exchange rates. There is the risk that if we do not manage adequately the volatility of exchange rates, and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets.
- **Business improvement opportunities.** The Group is heavily reliant on legacy systems, processes and structures which, in some cases, are outdated, complex and inefficient. If we do not address the systems' inefficiencies we may incur higher costs due to inefficiencies and impact our ability to optimise business performance and provide a value added service to our consumers.
- **Legal & regulatory compliance.** The Company operates in a highly-regulated environment, particularly in relation to consumer protection, tax and the environment. If we do not establish an effective system of internal control that ensures we operate in compliance with all legal and regulatory requirements, we will suffer negative impact, damage to our reputation and reduced revenues and/or higher input costs.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Health & Safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. There is the risk of accidents occurring causing injury or death to customers or colleagues whilst on one of our holidays, which the company strives to mitigate. This could result in reputational damage to the Company and/or financial liabilities through legal action being taken by the affected parties. Insurance policies are in place in the event that incidents occur. The company is committed to ensuring the health and safety of all its customers and everyone engaged with its business activities and to providing a safe and suitable environment for all customers.
- **Cyber security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have and the services we provide to our customers, our employees, our suppliers and service delivery teams. There is a risk that our IT Systems become exposed and susceptible to cyber-attacks and hacks. If we do not ensure we have the appropriate level of security controls in place across the Company, we can see a significant level of damage to our IT systems, including the ability to sell or provide holidays and maintain customer's data protection, causing significant reputational damage and adverse financial implications. We continuously review, test and monitor to identify potential threats as and when they arise.
- **Profitability of the Company's subsidiary and dividends received.** Dividends received from the Company's subsidiary are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of the subsidiary. From time to time some of the Company's profits are generated by dividends received from its subsidiary, and so the Company's profitability from one year to another can therefore vary.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's statement of total comprehensive income.
- **COVID-19 coronavirus.** The current global travel restrictions impact the Company's ability to operate and deliver their core products and thus generate revenue. While the duration of such restrictions is currently unknown, by taking the planned mitigating actions in the face of this pandemic, the Group's scenario modelling demonstrates that it has sufficient liquidity to endure an extended period of travel restriction and that the Company and Group can continue as a going concern for at least the next 12 months from the date of signing these financial statements. There is a risk that if customer demand and hence re-bookings do not materialise for our Group's trips from 1 January 2021 or cash refunds are significantly higher than as modelled in our most extreme scenario as described in note 2 of these financial statements, then the Group may not be able to continue as a going concern.

On behalf of the Board



T Fahy
Director

Company Number 946385

Date 30 June 2020

DIRECTORS' REPORT

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

C F Brown
T Fahy

Directors' insurance

Throughout the financial year Travelopia Holdings Limited, an intermediate parent company, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Audit exemption statement

For the financial year ended 30 September 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the financial period in question in accordance with Section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Business review

A fair review of the business, including an analysis of the performance and financial position of the Company, together with details of key performance indicators, dividends, funding and liquidity, future developments and post balance sheet events are included within the Strategic Report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

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

On behalf of the Board



T Fahy
Director

Company Number 946385

Date 30 June 2020

Crown Blue Line Limited

Statement of total comprehensive income for the year ended 30 September 2019

| | Note | 2019 £ | 2018 £ |
|--|------|---------------------------|-----------------------|
| Revenue | 6 | 15,045,705 | 14,900,082 |
| Cost of sales | | <u>(5,284,060)</u> | <u>(4,882,657)</u> |
| Gross profit | | 9,761,645 | 10,017,425 |
| Administrative expenses | | <u>(8,035,370)</u> | <u>(7,673,364)</u> |
| Operating profit | | 1,726,275 | 2,344,061 |
| Amounts written off investments | 14 | (2,377,925) | (1,185,641) |
| (Loss)/profit on disposal of fixed assets | | <u>(7,642)</u> | <u>1,114</u> |
| (Loss)/profit on ordinary activities before interest and taxation | | (659,292) | 1,159,534 |
| Finance income | 7 | - | 1 |
| Finance expenses | 8 | <u>(36,277)</u> | <u>(43,659)</u> |
| (Loss)/profit on ordinary activities before taxation | 9 | (695,569) | 1,115,876 |
| Tax expense | 11 | <u>(512,637)</u> | <u>(508,428)</u> |
| (Loss)/profit for the financial year | | (1,208,206) | 607,448 |
| Total comprehensive (loss)/ income for the year attributable to owners of the parent | | <u><u>(1,208,206)</u></u> | <u><u>607,448</u></u> |

Crown Blue Line Limited
Balance sheet as at 30 September 2019

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------|--------------------|
| Non-current assets | | | |
| Intangible assets | 12 | 8,981 | 9,674 |
| Property, plant and equipment | 13 | 1,798,969 | 1,593,868 |
| Investments in subsidiaries | 14 | 37,826,947 | 40,204,871 |
| | | <u>39,634,897</u> | <u>41,808,413</u> |
| Current assets | | | |
| Inventories | 16 | 550,573 | 569,105 |
| Trade and other receivables | 15 | 20,796,131 | 15,363,202 |
| Income tax – group relief recoverable | | - | - |
| Cash and cash equivalents | | 534,064 | 7,623,745 |
| | | <u>21,880,768</u> | <u>23,556,052</u> |
| Total assets | | <u>61,515,665</u> | <u>65,364,465</u> |
| Current liabilities | | | |
| Trade and other payables | 17 | (4,154,149) | (3,548,393) |
| Provisions for liabilities | 18 | (42,000) | (34,823) |
| Income tax – group payable | | (19,996) | (84,848) |
| | | <u>(4,216,145)</u> | <u>(3,668,064)</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | 19 | (36,520) | (61,209) |
| | | <u>(36,520)</u> | <u>(61,209)</u> |
| Total liabilities | | <u>(4,252,665)</u> | <u>(3,729,273)</u> |
| Net assets | | <u>57,263,000</u> | <u>61,635,192</u> |
| Equity | | | |
| Called up share capital | 21 | 44,979,379 | 44,979,379 |
| Share premium account | 22 | 162,665 | 162,665 |
| Profit and loss account | 22 | 12,120,956 | 16,493,148 |
| Total equity attributable to owners of the parent | | <u>57,263,000</u> | <u>61,635,192</u> |

The notes on pages 9 to 23 form part of these financial statements.

Audit exemption statement

For the financial year ended 30 September 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the financial period in question in accordance with Section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approval and authorization for issue

The financial statements on pages 6 to 23 were approved and authorised for issue by the Board of Directors on 30 June 2020 and signed on its behalf by:



T Fahy
Director

Crown Blue Line Limited
Statement of changes in equity for the year ended 30 September 2019

| | Note | Called up share capital £ | Share premium reserve £ | Profit and loss account £ | Total equity £ |
|---|------|------------------------------------|----------------------------------|------------------------------------|----------------------|
| At 1 October 2017 | | 44,979,379 | 162,665 | 15,885,700 | 61,027,744 |
| Total comprehensive income for the year | | - | - | 607,448 | 607,448 |
| At 30 September 2018 | | 44,979,379 | 162,665 | 16,493,148 | 61,635,192 |
| Total comprehensive loss for the year | | - | - | (1,208,206) | (1,208,206) |
| Dividends paid | 22 | - | - | (3,163,986) | (3,163,986) |
| At 30 September 2019 | | 44,979,379 | 162,665 | 12,120,956 | 57,263,000 |

1. General information

The Company is a private limited company incorporated and domiciled in England. The address of its registered office is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. The Company's registered number is 946385.

The principal activity of the Company continues to be that of a provider of inland waterways boating holidays operating this activity through branches located in France and the United Kingdom.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities measured at fair value through the statement of total comprehensive income, on a going concern basis and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

FRS 101

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by Financial Reporting Standard 100 'Application of financial reporting requirements' ("FRS 100") which addresses the financial requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

The Company has adopted both the provisions of Statutory Instrument 2015 No.980 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015' ("SI 980") and FRS 101 (September 2015), which permit the use of the formats prescribed in International Accounting Standard 1 'Presentation of financial statements' ("IAS 1") for the primary statements, as opposed to using the formats prescribed by Companies Act 2006.

Going concern

At 30 September 2019, the Company has net assets of £57,263,000 (2018: £61,635,192) and net current assets of £17,664,623 (2018: £19,887,988).

Subsequent to the year end and up to the date of signing these financial statements, the rapid global escalation of the Covid-19 coronavirus from late February 2020 resulting in significant global travel restrictions, has impacted the Company's, the Group's and our suppliers' ability to fully deliver and operate its core products.

The Company and the Group's Directors are monitoring the situation closely, drawing up and implementing plans to mitigate the impact of the operational risks where possible, including cancellation, postponement and rebooking of our holidays, together with numerous cost reduction actions, with the intention of reducing losses and cash outflows subsequently arising. Both the Company and the Group have plans in place for a recovery and return to growth after the impact of the virus but there will be a significant impact on trading and results while global travel restrictions are in place and likely in the immediate period thereafter.

Until the outbreak of Covid-19, the Group was on course to deliver double digit EBITDA (Earnings before interest, tax, depreciation and amortisation) growth against prior year for the year ending 30 September 2020. Whether the Company is able to operate further tours and events in the remainder of the year and thereafter will be dependent on a number of factors, including worldwide government travel restrictions, customers' willingness to travel, and the ability of suppliers to provide the required services and as a result, the Company is now forecasting nothing in the way of revenue for the second half of this financial year, other than cancellation revenue, unless travel restrictions start to be lifted.

The Company and the Group's Directors have already taken various cost reduction actions, with the intention of reducing losses and cash outflows. These actions include Group wide restructuring programmes where permanent changes are necessary, taking advantage of the UK and worldwide Governments' staff furloughing schemes and other support, salary reductions and deferrals for the Group's Executive Leadership Team ("ELT") and additional unpaid leave for much of the Group's entire workforce, for which the ELT are highly grateful.

2. Basis of preparation (continued)

Going concern (continued)

The Company is currently working to reduce cost as much as possible for the remainder of the year and thereafter. While variable cost of sales and agents' commissions will mostly reduce in line with revenue, where prepayments have been made, refunds or credit notes are being sought. Significant action is also already being taken across the Company and the Group to reduce all fixed cost of sales where possible, marketing expenditure, staff costs, other overheads and discretionary capital expenditure in order to reduce cash outflows during this period of travel restriction and reduced revenue. Throughout the Group, credit notes and rebooking options for travel at a later date, as well as cash refunds (where required in the booking terms) are being offered to customers. Overall, the intention of the mitigating actions taken is to reduce the Group's monthly cash burn rate and ensure sufficient liquidity to continue as a going concern, even under stress tested scenarios, as noted below.

These financial statements are prepared on a going concern basis as Tim Intermediateco Limited has agreed to provide financial support to the Company if it should be required, in order that it can continue to trade and meet its liabilities as they fall due.

As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of the Group to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they have made enquiries to the Group's Board of Directors of the Group's mitigating actions.

Since the outbreak began, the Directors of the Group have fully drawn down on the Group's revolving credit facility, such that, when combined with the Group's customer deposits, at the date of signing these financial statements, the Group's combined cash totalled is in the region of £200m. The maturity dates of our Group's £100m term loan and revolving credit facility are unchanged at 15 June 2024 and 15 June 2023 respectively.

On 4 May 2020, the Directors of the Group obtained a debt covenant holiday from the Group's Lenders for a period of four financial quarters commencing on and including 30 June 2020.

The Directors of the Group have prepared scenario plans that assess the profitability and liquidity of the Group under various durations of the travel restrictions currently in force, including a stress test scenario assuming no departures until April 2021.

The expected scenario as at the date of signing these financial statements is that no holidays or trips will be operated until the end of September 2020 and as such no revenues will be recognised in this period, notwithstanding the gradual easing of some of the restrictions to European waterways in early May 2020 which will hopefully allow for some revenues within the Group's Le Boat division in this financial year. Cancellation, cash refund and rebooking rate assumptions have then been applied to each of our Group's divisions/companies, taking into account the nature of the trips sold, customer booking trends and customer terms and conditions of the Group's businesses. The company has different terms and conditions in place that enable them to defer and rebook customers in the current circumstances, which reduces refund levels and cash outflows in the immediate term. The Group continues to receive bookings and deposit inflows for departures in the financial year ending September 2021, demonstrating a continued demand for our Group's products.

The stress test scenario includes the assumption that there will be very little in the way of revenue before the end of 31 March 2021, with bookings not picking up until January 2021, with full recovery not expected until the financial year commencing 1 October 2021. The Group's scenario does assume some continued completion of yacht sale transactions and revenue, which is in line with current trends as yacht deliveries continue to be possible.

2. Basis of preparation (continued)

Going concern (continued)

There are numerous assumptions and sensitivities (including in particular the level of re-booking, cancellation and refund rates) that affect the scenario planning and it is possible that the pandemic might develop such that the impact is more severe than currently modelled in the stress test scenario. However, the Directors are confident that the liquidity available at the date of signing these financial statements and the mitigating actions mentioned above are sufficient to fund the Group and therefore also the Company through at least the next 12 months.

Both the Group and the Company have plans in place for a return to growth after the impact of the virus and while there will be a significant impact on trading and results this financial year if travel restrictions continue, the Directors of the Company and the Group are confident that the business has the liquidity and impact mitigation plans such that it will successfully emerge from this pandemic.

As such, the Directors of the Company are confident that the Group can continue as a going concern based upon the liquidity headroom in the scenarios modelled. As such, the Directors of the Company have concluded it is appropriate to prepare these financial statements on a going concern basis.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the Company's functional currency of Sterling, rounded to the nearest pound.

3. Summary of significant accounting policies

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

New and amended standards adopted by the Company

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of new accounting standards are described below.

(i) IFRS 15 'Revenue from contracts with customers'

The Company adopted IFRS 15 'Revenue from contracts with customers', with a date of initial application of 1 October 2018. As a result, the Company has changed its accounting policies relating to revenue recognition, using the modified retrospective method of adoption. Under this method, the Company elected to apply the Standard to all contracts at the date of initial application. The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings, where material. The comparative information is not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

Revenue under IAS 11 and IAS 18 in relation to the comparative financial year

For the financial year ended 30 September 2018, revenue was recognised in the income statement when the significant risks and rewards of ownership had been transferred to the buyer. Revenue in respect of holidays was recognised on the date of departure. No revenue was recognised if there were significant uncertainties regarding recovery of the consideration due or associated costs. Revenue was stated at the contractual value of services provided. Client monies received at the balance sheet date relating to holidays departing after the year end were deferred and included within trade and other payables.

3. Summary of significant accounting policies (continued)

New and amended standards adopted by the Company (continued)

Revenue recognition policy under IFRS 15

The Company recognises revenue from the sale of holidays. Revenue is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Revenue is measured at the fair value of the contractual consideration received or receivable and represents amounts receivable for services in the normal course of business during the accounting period. Revenue is recognised net of discounts, value added tax, and other sales related taxes and is measured as the aggregate amount earned from holidays. Revenue from sale of holidays is comprised of one performance obligation and the transaction price is recognised over the duration of the holiday (taking the time elapsed from departure to return). For the sale of holidays, the Company receives part payment of the holiday by way of a deposit from customers upon booking of the holiday. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less.

Impact of adoption of IFRS 15

Where the holiday sold falls within a discrete financial year, there is no difference between the previous and the new accounting policy. However, where a holiday spans across the Company's financial year end of 30 September, revenues and the directly related costs will be recognised over the period of the holiday and hence, across two financial periods. The effect of adopting IFRS 15 as at 1 October 2018 did not have a material effect on the opening balance sheet or on the primary statements for the year ended 30 September 2019.

(ii) IFRS 9 Financial instruments

IFRS 9 'Financial instruments' became effective for the Company on 1 October 2018 and replaces the current requirements of IAS 39 'Financial instruments: recognition and measurement'. The main changes introduced by the new standard are new classification and measurement requirements for certain financial assets, a new expected credit loss model for the impairment of financial assets, revisions to the hedge accounting model, and amendments to disclosures. The changes are generally to be applied retrospectively. Given the nature of the financial assets and liabilities currently held by the Company, the changes have not had a material impact on the financial statements.

Computer software and software in development

Computer software consists of all software that is not an integral part of the related hardware and is stated at cost less accumulated amortisation and impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software platforms controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria, together with costs associated with maintaining computer software programmes, are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3. Summary of significant accounting policies (continued)

Computer software and software in development (continued)

Amortisation is charged to the statement of total comprehensive income on a straight-line basis over the estimated useful economic life as follows:

| | |
|-------------------|---------|
| Computer software | 4 years |
|-------------------|---------|

Software in development is not amortised. Upon completion of development and bringing the software into use, the costs are re-categorised into computer software and amortisation commences.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical purchase cost, including any costs attributable to bringing an asset to its working condition for its intended use, less accumulated depreciation.

Depreciation is charged on a straight-line basis to the residual value over the estimated useful lives of the assets which are as follows:

| | |
|-------------------------------------|----------------------|
| Boats | 7 to 24 years |
| Short lease property improvements | Over period of lease |
| Plant, equipment and motor vehicles | 3 to 10 years |

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less estimated selling expenses. Where necessary, provision is made for obsolete, slow-moving or defective goods.

Impairment of non-financial assets

Non-financial assets not subject to amortisation are tested annually for impairment. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of total comprehensive income whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows.

Financial assets

The Company classifies its financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's financial assets comprise receivables and cash in the balance sheet.

Impairment of financial assets

The Company's financial assets held at amortised cost are assessed at the end of each reporting period for impairment. Impairment losses are incurred only if there is objective evidence of the impairment as a result of one or more events after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the estimated future cash flows of the asset that can be reliably estimated.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets, if not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company recognises a loss allowance for expected credit losses on all receivable balances from customers subsequently measured at amortised cost, using the 'simplified approach' permitted under IFRS 9.

Cash and cash equivalents

Cash comprises cash at bank. The Company does not invest in deposits held on call with banks or other short-term highly liquid investments.

Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from third party suppliers or other Group companies. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. If payment is expected in one year or less they are classified as current liabilities, if not, they are presented as non-current liabilities.

Provisions

A provision is recognised in the balance sheet when the Company has a 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 and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. The increase in the provision due to passage of time is recognised as a financial expense. If provisions is expected to be utilised in one year or less, they are classified as current liabilities, if not, they are presented as non-current liabilities.

Foreign currency translation

Foreign currency transactions are initially translated into the Company's functional currency using the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from translation to year-end rates are recognised in the statement of total comprehensive income.

Marketing and other direct sales costs

Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed as expenditure is incurred.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Current and deferred tax

The tax expense for the year comprises current and deferred tax and is recognised in the statement of total comprehensive income. Current tax is the expected tax payable (or recoverable) for the current financial year using the average tax rate for the year. To the extent available, the amount is first recovered from, or surrendered to, other Group companies as group relief.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. 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 used.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

Finance income and finance expense

Finance income recognised in the statement of total comprehensive income mainly comprises interest receivable on trading balances due from Group undertakings. Finance expense recognised in the statement of total comprehensive income mainly comprises of bank interest.

Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

Called up share capital

Ordinary shares are classified as equity.

4. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of Tim Intermediateco Limited, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of Tim Intermediateco Limited. Details for obtaining the Group financial statements of Tim Intermediateco Limited can be found in Note 25. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

| IFRS | Relevant paragraphs of IFRS | Disclosure exemptions taken |
|---|---|---|
| IFRS 7 'Financial instruments' | All paragraphs | All disclosure requirements. |
| IFRS 13 'Fair value measurement' | 91 to 99 | All disclosure requirements in respect of the valuation techniques and inputs used for the fair value measurement of assets and liabilities. |
| IAS 1 'Presentation of financial statements' | 38 | Paragraph 79(a)(iv) of IAS 1. |
| | 38 A to D | Certain additional comparative information. |
| | 10(d) and 111 | A statement of cash flows and related information. |
| | 10(f) and 40 A to D | A balance sheet as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements. |
| | 16 | A statement of compliance with all IFRS. |
| | 134 to 136 | Information on the Company's objectives, policies and processes for managing capital. |
| IAS 7 'Statement of cash flows' | All paragraphs | IAS 7 disclosures in full. |
| IAS 8 'Accounting policies, changes in accounting estimates and errors' | 30 and 31 | New standards and interpretations that have been issued but which are not yet effective. |
| IAS 24 'Related party transactions' | 17 and the requirements to disclose transactions between two group subsidiaries. | Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group. |
| IFRS 15 'Revenue from contracts with customers' | The requirements of the second sentence of paragraph 110 and paragraphs 113(a) 114, 115, 118, 119(a) to (c), 120 to 127 and 129 | Disaggregation of revenue, explanations of significant changes in contract balances, timing of satisfaction of performance obligations, unsatisfied performance obligations, significant judgements in application of the standard. |

5. Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year are disclosed as follows:

a) Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products.

6. Revenue

Analysis of revenue by geography:

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|----------------------------|---|---|
| United Kingdom and Ireland | 2,316,537 | 2,245,701 |
| Rest of Europe | 10,363,379 | 10,292,903 |
| Rest of the World | 2,365,789 | 2,361,478 |
| | <u>15,045,705</u> | <u>14,900,082</u> |

7. Finance income

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|----------------------|---|---|
| Interest income | - | 1 |
| Total finance income | <u>-</u> | <u>1</u> |

8. Finance expense

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|-----------------------|---|---|
| Bank interest expense | 36,277 | 43,659 |
| Total finance expense | <u>36,277</u> | <u>43,659</u> |

9. Profit on ordinary activities before taxation

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|---|---|---|
| Profit on ordinary activities before taxation is stated after charging/(crediting): | | |
| Depreciation on property, plant and equipment (Note 13) | 404,194 | 369,020 |
| Provisions for liabilities (Note 18) | - | 34,823 |
| Operating lease charges - land and buildings | 408,365 | 403,210 |
| Operating lease charges - plant and machinery equipment | 65,764 | 77,885 |
| Amounts written off investments | - | 1,185,641 |
| Exceptional charge/(refund) | 31,726 | (99,246) |
| Foreign exchange losses/(gains) | 209,723 | (29,264) |

Auditors' remuneration

The Company is exempt from an audit in the current financial year. The auditors' remuneration for the financial year ended 30 September 2019 was £nil (2018 - £29,600).

10. Employees and Directors

Employee costs for the Company during the year were:

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|-----------------------|---|---|
| Wages and salaries | 4,858,395 | 4,784,370 |
| Social security costs | 1,517,909 | 1,615,671 |
| Other pension costs | 3,975 | 3,089 |
| | 6,380,279 | 6,403,130 |

The pension costs relating to the Travelopia Defined Contribution Scheme, and charged to the statement of total comprehensive income, amounted to £3,975 (2018: £3,089). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The average number of persons (including Directors) employed by the Company during the year was: 214 (2018: 199).

| | Year ended 30 September 2019 Number | Year ended 30 September 2018 Number |
|------------------------|--|--|
| Administration | 37 | 37 |
| Engineers and boatyard | 152 | 133 |
| Management | 25 | 29 |
| | 214 | 199 |

Directors' remuneration

The Directors received no remuneration for their services as Directors of the Company (2018: £nil). The Company's Directors are directors of a number of fellow subsidiary companies and their remuneration was paid by another Group company, which makes no recharge to the Company (2018: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

11. Tax expense

The tax expense can be summarised as follows:

(i) Analysis of tax expense in the year

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|---|---|---|
| Current tax: | | |
| Current tax on profits for the year | 279 | 19,718 |
| Adjustment in respect of previous years | - | 68,864 |
| Foreign tax suffered | 537,047 | 439,357 |
| Total current tax | 537,326 | 527,939 |
| Deferred tax: | | |
| Origination and reversal of temporary differences: | | |
| - current year | (30,504) | (17,856) |
| - adjustment in respect of previous periods | - | (307) |
| - effect of change in tax rate | 5,815 | (1,348) |
| Total deferred tax (Note 19) | (24,689) | (19,511) |
| Total tax expense in the statement of total comprehensive income | 512,637 | 508,428 |

(ii) Factors affecting the tax expense in the year

The tax expense (2018: expense) for the year ended 30 September 2019 is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are shown in the table below:

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|---|---|---|
| Profit on ordinary activities before taxation | (695,569) | 1,115,876 |
| (Loss)/Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2018: 19%) | (132,158) | 212,017 |
| Effects of: | | |
| - Expenses not deductible for tax purposes | 458,486 | 225,272 |
| - Adjustment to tax charge in respect of previous periods | - | 68,557 |
| - Foreign tax suffered | 537,047 | 439,357 |
| - Tax rate changes | 5,815 | (1,348) |
| - Amounts not recognised | - | (174,879) |
| - Other differences | (1,246) | 2,872 |
| - Foreign branch exemption | (355,307) | (263,420) |
| Total tax expense in the statement of total comprehensive income | 512,637 | 508,428 |

(iii) Factors affecting the future tax charge

The UK rate of taxation is expected to follow the standard rate of UK corporate tax in future periods.

Deferred tax assets have not been recognised in respect of capital and trading losses as there is insufficient evidence that the assets will be recovered. Further details can be seen in Note 19.

12. Intangible assets

| | Computer Software £ |
|----------------------------------|---------------------------|
| Cost: | |
| At 1 October 2018 | 17,254 |
| Exchange adjustment | (78) |
| Additions | 10,481 |
| Disposals | (17,176) |
| At 30 September 2019 | 10,481 |
| Accumulated amortisation: | |
| At 1 October 2018 | 7,580 |
| Exchange adjustment | (34) |
| Disposals | (9,120) |
| Charge for the year | 3,074 |
| At 30 September 2019 | 1,500 |
| Net book value: | |
| At 30 September 2019 | 8,981 |
| At 30 September 2018 | 9,674 |

13. Property, plant and equipment

| | Boats £ | Plant, equipment and motor vehicles £ | Short leasehold property improvements £ | Total £ |
|----------------------------------|----------------|---|---|------------------|
| Cost: | | | | |
| At 1 October 2018 | 558,502 | 2,697,869 | 1,123,465 | 4,379,836 |
| Exchange adjustment | - | (11,458) | (5,028) | (16,486) |
| Additions | 346,983 | 269,619 | - | 616,602 |
| Disposals | (558,502) | (83,282) | - | (641,784) |
| At 30 September 2019 | 346,983 | 2,872,748 | 1,118,437 | 4,338,168 |
| Accumulated depreciation: | | | | |
| At 1 October 2018 | 558,502 | 1,345,629 | 881,837 | 2,785,968 |
| Exchange adjustment | - | (5,899) | (3,942) | (9,841) |
| Disposals | (558,502) | (82,620) | - | (641,122) |
| Charge for the year | - | 367,528 | 36,666 | 404,194 |
| At 30 September 2019 | - | 1,624,638 | 914,561 | 2,539,199 |
| Net book value: | | | | |
| At 30 September 2019 | 346,983 | 1,248,110 | 203,876 | 1,798,969 |
| At 30 September 2018 | - | 1,352,240 | 241,628 | 1,593,868 |

14. Investments in subsidiaries

| | Investments in subsidiaries £ |
|--------------------------------|-------------------------------------|
| Cost: | |
| At 30 September 2019 | <u>40,204,871</u> |
| Accumulated impairment: | |
| At 1 October 2019 | - |
| Impairment | (2,377,924) |
| At 30 September 2019 | <u>37,826,947</u> |
| Net book value: | |
| At 30 September 2019 | <u>37,826,947</u> |
| At 30 September 2018 | <u><u>40,204,871</u></u> |

List of investments in subsidiaries at 30 September 2019:

| Name of undertaking | Country of incorporation | Registered address | Share class | % held by directly by the Company | Total % held by Group Companies |
|-------------------------------|-----------------------------|--|-----------------------|---|---------------------------------------|
| Porter and Haylett Limited | United Kingdom | Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD | £1.00 Ordinary shares | 100 | 100 |

The Directors believe that the book value of its investment is supported by the higher of underlying net assets or their recoverable value.

15. Trade and other receivables

| | 2019 £ | 2018 £ |
|-------------------------------------|--------------------------|--------------------------|
| Amounts due from Group undertakings | 20,408,287 | 14,896,716 |
| Other receivables | 23,939 | 39,362 |
| Prepayments and accrued income | 363,905 | 427,124 |
| | <u>20,796,131</u> | <u>15,363,202</u> |

Amounts due from Group undertakings

Amounts due from Group undertakings are unsecured, bear no interest and are repayable on demand.

16. Inventories

| | 2019 £ | 2018 £ |
|-----------------------------|-----------------------|-----------------------|
| Boat spares and consumables | <u>550,573</u> | <u>569,105</u> |

17. Trade and other payables

| | 2019 | 2018 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| Trade payables | 266,051 | 370,912 |
| Amounts due to Group undertakings | 773,099 | 496,183 |
| Other payables | 434,379 | 611,715 |
| Accruals and deferred income | 1,386,068 | 1,298,985 |
| Taxation and social security | 207,423 | 198,193 |
| Overseas tax payable | 1,087,129 | 572,405 |
| | <u>4,154,149</u> | <u>3,548,393</u> |

Amounts due to Group undertakings

Amounts due to Group undertakings are unsecured, bear no interest and are repayable on demand.

18. Provisions for liabilities

Analysis of the movements during the year:

| | Restructuring |
|-----------------------------|----------------------|
| | £ |
| At 1 October 2018 | 34,823 |
| Provided during the year | 42,000 |
| Utilised during the year | (34,823) |
| At 30 September 2019 | <u>42,000</u> |

| | 2019 | 2018 |
|---------------------|---------------|---------------|
| | £ | £ |
| <i>Analysed as:</i> | | |
| - Current | 42,000 | 34,823 |
| | <u>42,000</u> | <u>34,823</u> |

Restructuring

The current year provision relates to a dilapidation provision for the Scottish base property. The prior year provision related to cases and costs associated with restructures in some of the French bases.

19. Deferred tax assets and liabilities

| | 2019 | 2018 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Accelerated capital allowances | <u>36,520</u> | <u>61,209</u> |

Movements in deferred taxation during the current year are analysed as follows:

| | Accelerated capital allowances |
|--|--------------------------------|
| | £ |
| At 1 October 2017 | 80,720 |
| Charged to the statement of total comprehensive income | <u>(19,511)</u> |
| At 30 September 2018 | <u>61,209</u> |
| Charged to the statement of total comprehensive income | <u>(24,689)</u> |
| At 30 September 2019 | <u>36,520</u> |

Accelerated capital allowances principally relate to timing differences in respect of property, plant and equipment.

Unrecognised deferred tax assets

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets as follows:

| | 2019 | | 2018 |
|----------------|---------------|--------------------|---------------|
| | Loss | Deferred tax asset | Loss |
| | £ | £ | £ |
| Trading losses | - | - | - |
| Capital losses | <u>99,305</u> | <u>18,868</u> | <u>99,305</u> |
| | <u>99,305</u> | <u>18,868</u> | <u>99,305</u> |

The assets will be recovered if there are sufficient trading and chargeable gains in the future against which to offset the losses. There are no other unrecognised deferred tax assets nor un-provided deferred tax liabilities at either 30 September 2019 or 30 September 2018.

20. Operating lease commitments

The Company's total obligations under non-cancellable operating lease contracts are payable as follows:

| Land and buildings | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| No later than one year | 408,365 | 403,210 |
| Later than one year and no later than five years | 678,276 | 659,542 |
| Later than five years | <u>759,965</u> | <u>813,414</u> |
| | <u>1,846,606</u> | <u>1,876,166</u> |
| Equipment | 2019 | 2018 |
| | £ | £ |
| No later than one year | 65,764 | 77,885 |
| Later than one year and no later than five years | <u>53,225</u> | <u>123,851</u> |
| | <u>118,989</u> | <u>201,736</u> |

21. Called up share capital

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Issued and fully paid | | |
| 44,979,379 (2018: 44,979,379) ordinary shares of £1.00 each | <u>44,979,379</u> | <u>44,979,379</u> |

22. Dividend

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|--------------------------------|---|---|
| Ordinary interim dividend paid | <u>3,163,986</u> | <u>-</u> |

Interim dividends of £0.07 per share (2018: nil) totalling £3,163,986 were paid in cash by the Company during 2019. A final dividend was not declared.

23. Reserves

The following describes the nature and purpose of each reserve within equity:

| Reserve | Description and purpose |
|-------------------------|--|
| Share premium | Amount subscribed for share capital in excess of nominal value. |
| Profit and loss account | All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. |

24. Post balance sheet events

Subsequent to the year end and up to the date of signing these financial statements, the rapid global escalation of the Covid-19 coronavirus from late February 2020 resulting in significant global travel restrictions, has impacted the Company's, the Group's and our suppliers' ability to fully deliver and operate its core products and as a result, the Company is now forecasting nothing in the way of revenue for the second half of this financial year, other than cancellation revenue, unless travel restrictions start to be lifted.

Whether the Company is able to operate further holidays in the remainder of the year will be dependent on a number of factors, including government travel restrictions in the UK and European countries, customers willingness to travel, and the ability of suppliers to provide the required services. The financial impact of this pandemic, the mitigating cost reduction actions the Company has taken to reduce losses and cash outflows is described in note 2.

25. Ultimate parent company and controlling party

The ultimate controlling party of the Company is KKR & Co Inc., on behalf of funds under its management. The immediate parent company is Travelopia France SARL.

The smallest and largest group in which the results of the Company are consolidated is that headed by Tim Intermediateco Limited. Copies of the Tim Intermediateco Limited financial statements are available from the Company Secretary, Travelopia Holdings Limited, Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. No other financial statements include the results of the Company.