Company Registration Number 01191534

PGL TRAVEL LIMITED

Annual Report and Financial Statements

For the year ended 31 August 2020

PGL Travel Limited

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For the year ended 31 August 2020

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PGL Travel Limited

Officers and professional advisers

DIRECTORS

S Parkin
N Currie
A Clegg
A Bracey
A G Jones
L T Creighton

REGISTERED NUMBER

01191534

REGISTERED OFFICE

Alton Court
Penyard Lane
Ross-on-Wye
Herefordshire
HR9 5GL

BANKERS

Royal Bank of Scotland plc
62/63 Threadneedle Street
London
EC2R 8LA

SOLICITORS

Eversheds Sutherland
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

AUDITOR

Deloitte LLP
Statutory Auditor
Bristol
United Kingdom

Strategic report

The directors present their strategic report on the affairs of the company, together with the financial statements and independent auditor's report, for the year ended 31 August 2020 presented in accordance with United Kingdom Accounting Standards.

Review of the business

The principal activity of the company continues to be the provision of activity holidays and educational tours.

PGL Travel Limited ('the Company') remains the UK market leader in the residential, outdoor education and adventure sector for school groups. Its leadership position is founded on its strong safety management, customer service and ownership of large outdoor education centres. Competition comes from smaller commercial operators and local education authority centres.

Prior to the Covid-19 pandemic, the Company was trading well with Revenue and EBITDA demonstrating year on year growth. Following UK Government advice in the light of the Covid-19 pandemic, the Company's UK centres were closed in March 2020. Department for Education ("DfE") guidance was updated in March 2020 prohibiting UK schools from overnight residential trips in the UK or overseas – this guidance remained in place for the remainder of the financial year which covered the peak trading season.

The Company took swift action to limit losses and protect liquidity by;

- utilising the coronavirus job retention scheme;
- obtaining relevant government grants;
- taking advantage of business rates holidays where available;
- made use of HMRC deferral schemes;
- reduced remaining operating costs during the periods of closure; and
- worked with customers to rearrange bookings.

A number of the Company's UK centres reopened in July / August with reduced capacities and trialled the Company's 'Family Adventure' consumer product. Customer feedback was extremely positive.

The School Travel Sector Stakeholder Group ("STSSG"), was formed in response to the pandemic of which the Group was a key member, working together with the DfE to ensure the sector remained supported and able to open in a safe and secure manner when guidance allowed.

Key performance indicators

The Directors use the following key performance indicators to set targets and measure performance:

- Revenue: Revenue for the year was £26.5m (2019: £132.9m)
- EBITDA: EBITDA for the year was -£8.1m (2019: £41.5m)

Comparatives for 2019 were for a 17-month period so not directly comparable to current year results.

EBITDA being earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items.

The key performance indicators above were negatively impacted by the Covid-19 pandemic.

Future developments

In January 2021 in response to the pandemic the Group secured a Coronavirus Large Business Interruption Loan Scheme ("CLBILS") from National Westminster Bank plc for £14m and a term loan from funds or other accounts managed or advised by Ares Management Limited, Ares Management UK Limited and/or Ares Management Luxembourg and/or any affiliate of the foregoing ("Ares") for £6m. The Group took the opportunity at that time to reset a number of conditions in favour of the Group namely a delay and amendment to a number of financial covenants and on Ares debt the removal of any refinancing risk until 2025, capitalisation of deferred interest and removing cash payment of interest until the CLBILS are extinguished.

In April 2021, the DfE updated guidance for schools allowing the resumption of day visits from 12 April and domestic overnight educational visits from 17 May.

In May 2021, amended DfE guidance allowed schools to immediately resume the planning and booking of UK trips for academic year 21/22 and beyond.

Future developments (continued)

In July 2021, amended DfE guidance allowed schools to resume the planning and booking of international trips for academic year 21/22 and beyond from September 2021.

Subject to the varying devolved administration rulings our UK centres have traded successfully since April 2021 (under COVID-secure operating procedures) welcoming back schools from April 2021, our Family Adventure product from May 2021 and our Adventure Holiday product during July / August 2021.

Academic year 21/22 UK school bookings have been very positive throughout the summer term (once guidance was lifted in May 2021) and we expect this trend to continue into the Autumn term. We remain cautious for overseas travel during academic year 21/22 given the late guidance change in July 2021 but do expect to see a bounce in booking activity once schools return for the Autumn term.

Going concern

Following our successful re-opening for schools and an excellent summer for our consumer products the Company will be seeking to capitalise on development opportunities as they arise while continuing to provide residential outdoor education and adventure trips for school children in the UK and overseas through the market leading PGL brand.

Academic year 21/22 UK school bookings have been very positive throughout the summer term (once guidance was lifted in May 2021) and we expect this trend to continue into the Autumn term. We remain cautious for overseas travel during academic year 21/22.

The Directors have prepared forecasts for a range of cash flow scenarios from the date of the approval of these financial statements. In all cases the forecasts prepared indicate the Group has sufficient financial resources to continue in operation for the foreseeable future. These scenarios focus on the appetite of schools to commence making future bookings in relation to overseas travel and the timing of a return to normalised trading of this product.

The company is a subsidiary of Aldgate Education Topco Limited, which manages its facilities and working capital across the Group.

The Directors of this company have sought and received an expression of the parent company's intention to provide such support as may be necessary for the foreseeable future, this has been provided in the form of a letter of support from Aldgate Education Topco Limited declaring the provision of necessary funding to PGL Travel Limited for at least one full year from the approval of these financial statements. In relying on this support, the Directors have considered Aldgate Education Topco Limited's ability to continue to provide this support through the borrowing facilities available to it and have concluded that the group has adequate resources to continue to operate for at least the next 12 months.

The Directors therefore have prepared the financial statements on a going concern basis.

Principal risks and uncertainties

The principal risks facing the company's business are:

Liquidity risk

Whilst there are inevitable uncertainties arising as a result of the current economic climate, the directors believe that the strength of the bookings taken in advance, as shown above, and the regular monitoring of cash and capital expenditure mean that the company will continue trading for the foreseeable future.

Market risk

Competitive pressure in the UK is a continuing risk for the group, which could result in it losing sales to its competitors. The group manages this risk by engaging in regular contact with its customers to maintain high levels of satisfaction and assess future trends.

Brexit risk

While the negotiation of a Brexit deal has resolved some areas of Brexit risk, the limited understanding of the longer-term impact of the deal on the UK continues to foster a degree of consumer uncertainty. The Directors do not anticipate this will have a material impact to performance. Whilst travel could be affected by the outcome of Brexit, the Directors do not anticipate it having a material impact to trading conditions. Directors are proactive in monitoring risks and will take quick and decisive action where necessary to mitigate such risks.

Climate change risk

As consumers become more environmentally aware and consider their carbon footprint this could have an adverse impact upon demand from our overseas customers. Given customers travelling from oversees only makes up a small proportion of PGL Travels revenue the risks associated with consumers becoming more environmentally aware are considered minimal. Directors will monitor the situation and take appropriate action where necessary e.g. exploring offering different means of travel for its overseas customers.

Child supervision and support

PGL provides activity-based holidays for children of various ages, leading to additional risks relating to child supervision, safety and security. Accordingly, the Group has to consider requirements such as site access, employee training and vetting. Any breach of its standards and procedures relating to these considerations could cause material damage to the Group's reputation and affect the trading and performance of the Group.

Health and safety remains a top priority for the Group and, in relation to ensuring compliance with industry-leading standards, we aim to ensure that we recruit, develop, retain and reward the best people in the industry.

Supplier payment policy

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Group at 31 August 2020 were equivalent to 13 days (2019: 27 days) purchases, based on the average daily amount invoiced by suppliers during the period.

Section 172 statement

The Company's long-term success is at the forefront of the Board's thinking and the Directors have full regard for their duties and the matters set out in Section 172 of the UK Companies Act 2006. This information which follows in this section describes how, in performing their duties during the year, the Directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006.

Covid-19

The Covid-19 pandemic has had a significant effect on the Group and has presented unprecedented challenges. In response, the Board has been holding weekly calls and receiving weekly liquidity reports since March 2020. The STSSG, was formed in response to the pandemic of which the Group was a key member, working together with the DfE, Public Health England and competitors to ensure the sector remained supported and able to open in a safe and secure manner when guidance allowed. A significant number of the Groups employees were furloughed under the Coronavirus Job Retention Scheme. Training was provided for management to ensure clear and open communication channels were maintained for those furloughed.

Long-term consequences of decision-making (s172(1)(a))

The Board delegates day-to-day management and decision making to its senior management team, but it maintains oversight of the Company's performance, and reserves to itself specific matters for approval, including significant new business initiatives. Then, by receiving regular updates on business programmes and objectives, the Board monitors that management is acting in accordance with agreed strategy. Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Groups long-term success.

Employees (s172(1)(b))

Our people are essential to our success, future growth, and our aim to build leading market positions. We see their key concerns as being job security and opportunities to develop and advance their careers. We continue to invest substantial time and effort to employ, train, develop and retain employees who are passionate about our business and have influence in our key functional areas. Hearing their views on what we do well, and what we can do better, is an important driver for improvement and retaining our best talent.

PGL Travel Limited

Strategic report (continued)

Stakeholder Engagement (s172(1)(c))

The board recognises that relationships with Aldgate Education Midco 2 Ltd's key stakeholders, including its investors, lenders, employees, customers, and suppliers are important in helping the Company to achieve its business aims. Engagements takes place with our stakeholders at all levels across Aldgate Education Midco 2, and the size, diversity of our business and global nature of the Group means that it can take many different forms. Much of it takes

Stakeholder Engagement (s172(1)(c)) (continued)

place at an operational level, and this is especially true in respect of our customers and suppliers, with whom we deal in the ordinary course of business on a day-to-day basis.

The board considers and discusses information from across the organisation to help it understand the impact of Aldgate Education Midco 2 Ltd's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Act.

Investors

Investors aim to maximise returns at the level of risk they are willing to assume. Consequently, investor concerns revolve around having continued access to the information they need to assess the relevant risks and ultimately achieving the expected return on their investment.

The long-term success of the company could be adversely affected if investors perceive the required information to be unavailable or unreliable. This in turn could affect their propensity to invest (or reinvest) and the price at which they would be willing to do so. This could hamper the company's ability to achieve its long-term goals.

This structure also serves to ensure that all members of the company, i.e. accounts managed or advised by Ares Management Limited, Ares Management UK Limited and/or Ares Management Luxembourg and/or any affiliate of the foregoing ("Ares") and senior management, are fairly represented and considered (s172(1)(f)).

Lenders

Like investors, lenders also look to achieve a return on funds they have lent to the Company under the debt facilities they make available. However, returns are generally lower, given risk is lowered through a series of mitigating actiions, including the seniority of the facilities in the inter-creditor agreement, securing the facilities with assets of the company setting finncial covenants which the company must achieve, and prescribing other obligations which the company must fulfil (including information undertakings).

Lenders are primarirly concerned with maintaining the risk level of their lending and as such a company's continued compliance with all obligations related to the facilities. Lenders are also subject to strict anti-money laundering ("AML") regulations, so another key concern is ensuring that they are not aiding money laundering in any way.

The long-term success of the company could be adversley affected if it fails to comply with any of the obligations under it's SFA. This could put the company into default which could be costly to remedy or at worst mean that all the facilities become due and payable on demand. Any such failures could also affect the company's ability to secure future borrowings and impact the related costs.

Under the current SFA a syndicate of lenders provides the company with the liquidity it requires both for working capital purposes, as well as investment in capital projects and acquisitions. As such, is is a key stakeholder in the continued growth of the company.

The lenders receive financial information from the company on a monthly and quarterly basis and members of the Board also met with the lenders on several occasions during the year. These sessions helped to broaden the lenders' understanding of the business and answer their questions on trading and forecasts. Ammendmnets to the SFA were also negotiated and enacted during the year and the company complied with all complicance requests received during the year.

PGL Travel Limited

Strategic report (continued)

Customers

The company is defined by its ability to meet the needs of its customer base. It endeavours to develop mutually beneficial partnerships which drives the long-term success of all parties. Customer concerns centre around the availability, quality and price of products and services and open and honest communications.

Engagement with customers takes place mainly at an operational level within our business areas through telephone conversations, ongoing dialogue through dedicated sales and operations teams, customer relationship managers, and in respect of material customer issues, through our senior management team.

During the year the Board received updates on key customer issues through regular board meetings.

Suppliers

The Board recognises the key role our suppliers play in ensuring the quality of our products and that as a business we meet the high standards of conduct that we set ourselves; both areas playing an important part in the long-term success of the company.

The company works with both large international suppliers as well as small, independent family-run businesses. We aim to be fair and ethical in dealings with all out suppliers, pay them on agreed terms and be a collaborative and responsive partner, which we believe addresses their key concerns.

Communities (s172(1)(d))

We engage with the communities in which we operate to build trust and understand local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and be responsible stewards of the environment.

Reputation for high standards of business conduct (s172(1)(e))

The board is responsible for developing a corporate culture which promotes integrity and transparency. It has established systems of corporate governance, and approves policies and procedures which promote corporate responsibility and ethical behaviour.

Approved by the Board and signed on its behalf by:

L T Creighton

L. Creighton

Director
2 September 2021

Directors' report

The directors present their report on the affairs of PGL Travel Limited ('the Company'), together with the financial statements, strategic report and auditor's report, for the year ended 31 August 2020 with the comparative period ended 31 August 2019. The comparative information relates to a 17-month period ending 31 August 2019. Therefore, the amounts presented in the financial statements are not entirely comparable. The period end was changed in the prior period in order to bring the accounting period of the company in line with the Ultimate Parent Company.

Principal activity

The company's principal role continues to be the provision of activity holidays and educational tours.

Future developments and going concern

Details of future developments and going concern can be found in the strategic report on pages 2 and 6.

Events after the balance sheet date

On 19 August 2021 the company purchased a freehold property, Newby Wiske Hall, Newby Wiske, Northallerton, North Yorkshire, DL7 9HA for consideration of £2.5m. The intention is to develop this into a new activity centre.

Subject to the varying devolved administration rulings our UK centres have traded successfully since April 2021 (under COVID-secure operating procedures) welcoming back schools from April, our Family Adventure product from May and our Adventure Holiday product during July / August.

Research and development

During 2020 the company undertook no identifiable significant research and development.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks. Directors are proactive in monitoring risks and take quick and decisive action where necessary.

The company has no significant concentration of credit risk, with exposure spread over a large number of customers who generally pay in advance of services being provided.

Dividends

The company paid a dividend of £nil (£nil per share) during the year (period ended 31 August 2019: £nil (£nil per share)). No dividends have been proposed since 31 August 2020.

Directors

The directors, who served throughout the year and subsequent to the year-end unless otherwise stated, were as follows:

P J Churchus (Resigned 1 September 2020)
J G Firth (Resigned 27 April 2020)
S Parkin
A G Sadler (Resigned 31 July 2020)
R Sanders (Resigned 15 January 2021)
P Sladen (Resigned 15 January 2021)
N Currie
A Clegg
A Bracey
A G Jones (Appointed 26 March 2020)
C R Hayward (Appointed 1 July 2020 & Resigned 11 February 2021)
L T Creighton (Appointed 11 February 2021)

Directors' report (continued)

Directors' indemnities

Aldgate Education Topco Limited, has maintained liability insurance for the Directors and officers of Aldgate Education Topco Limited and its subsidiaries. Neither the insurance nor the indemnity provides cover where a Director acts fraudulently or dishonestly. The Company has made qualifying third-party indemnity provisions for the benefit of the Group's Directors which were made during the year and remain in force at the date of this report.

Political contributions

No political donations were made in either period.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has been deemed reappointed under section 487 of the 2006 Act.

Energy and Carbon Regulations

The Company is required to report each period on its UK energy use and the associated GHG emissions which are set out in the table below.

	kWh	Litres	CO2e Tonnes	Conversion for kWh/Litres*
Fuel types:				
Natural gas	7,832,986	375,322	2,180	0.20374/1.55537
Electricity grid & renewable	6,480,321	-	1,511	0.23314
Oil	-	523,403	1,330	2.54039
Petrol & diesel	-	10,254	28	2.68787
	14,313,307	908,979	5,048	

Greenhouse Gas Emissions Intensity Ratio:	
CO2e Tonnes per £100,000 of revenue	18.9

Energy and Carbon Regulations (continued)

Following the closure of our centres in March 2020 due to Covid-19 we ensured that energy usage was reduced to the minimum required to maintain our properties at a safe standard while achieving the maximum possible efficiency. Due to Covid-19 Revenue has been adversely affected for the year therefore the above ratio is not indicative of a normalised trading period.

*Conversion factors have been taken from UK Government HGH Conversion Factors for Company Reporting.

Approval of reduced disclosures

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 101. The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

Approved by the Board and signed on its behalf by:

L T Creighton
Director
2 September 2021

Directors' responsibilities statement

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Independent auditor's report to the members of PGL Travel Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of PGL Travel Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 August 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in respect of these matters.

Independent auditor's report to the members of PGL Travel Limited (continued)

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 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 respect of these matters.

Independent auditor's report to the members of PGL Travel Limited (continued)

Use of our report

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

Andrew Wright

Andrew Wright FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Bristol, United Kingdom

2 September 2021

Profit and loss account
For the year ended 31 August 2020

	Note	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Turnover	5	26,491	132,892
Cost of sales		(35,328)	(91,328)
Gross (loss)/profit		(8,837)	41,564
Administrative expenses		(11,609)	(12,600)
Other operating income	7	7,369	6,185
Operating (loss)/profit	6	(13,077)	35,149
Interest receivable and similar income	10	42	295
Interest payable and similar expenses	11	(4,058)	(278)
(Loss)/Profit before taxation		(17,093)	35,166
Tax on (loss)/profit	12	1,057	(5,974)
(Loss)/Profit for the financial period attributable to owner of the company		(16,036)	29,192

Turnover and operating profit are all derived from continuing operations.

Statement of comprehensive income

For the year ended 31 August 2020

	Note	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
(Loss)/Profit for the financial period		(16,036)	29,192
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of pension scheme	24	105	9
Deferred tax timing differences	12	(6)	(2)
Other comprehensive income for the period net of tax		99	7
Total comprehensive (expense)/income for the period attributable to the owner of the company		(15,937)	29,199

PGL Travel Limited

Balance sheet
As at 31 August 2020

	Note	31 August 2020 £'000	31 August 2019 £'000
Fixed assets			
Intangible assets	14	3,216	3,550
Right of use assets	15	2,592	-
Property, plant and equipment	16	161,589	162,927
Investments	17	21	21
		167,418	166,498
Current assets			
Stocks	18	694	771
Debtors			
- repayable within one year	19	3,051	9,410
- repayable after one year	19	154,061	20,519
Cash at bank and in hand		8,721	828
		166,527	31,528
Creditors: Amounts falling due within one year	20	(98,559)	(92,510)
Net current assets/(liabilities)		67,968	(60,982)
Total assets less current liabilities		235,386	105,516
Creditors: Amounts falling due after more than one year	20	(152,415)	(8,517)
Deferred tax liability	22	(16,700)	(14,652)
Pension surplus	24	1,632	1,493
Net assets		67,903	83,840
Capital and reserves			
Called-up share capital	23	13,550	13,550
Revaluation reserves		34,928	35,079
Profit and loss account		19,425	35,211
		67,903	83,840

Balance sheet (continued)
As at 31 August 2020

The financial statements of PGL Travel Limited (registered number 01191534) were approved by the Board of Directors and authorised for issue on 2 September 2021. They were signed on its behalf by:

L T Creighton
Director

Statement of changes in equity
For the year ended 31 August 2020

	Note	Share capital £'000	Revaluation reserves £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2018		13,550	35,395	5,696	54,641
Profit for the period		-	-	29,192	29,192
Transfer between reserves for excess depreciation		-	(316)	316	-
Re-measurement of pension scheme	24	-	-	9	9
Deferred tax timing difference	12	-	-	(2)	(2)
Total comprehensive (expense)/ income for the period		-	(316)	29,515	29,199
Balance at 31 August 2019		13,550	35,079	35,211	83,840
Loss for the period		-	-	(16,036)	(16,036)
Transfer between reserves for excess depreciation		-	(151)	151	-
Re-measurement of pension scheme	24	-	-	105	105
Deferred tax timing difference	12	-	-	(6)	(6)
Total comprehensive expense for the period		-	(151)	(15,786)	(15,937)
Balance at 31 August 2020		13,550	34,928	19,425	67,903

Notes to the financial statements
For the year ended 31 August 2020

1. General information

PGL Travel Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The company's principal activity continues to be the provision of activity holidays and educational tours.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Aldgate Midco 2 Ltd. The group financial statements of Aldgate Midco 2 Ltd are available to the public and can be obtained as set out in note 28.

The company has applied FRS 101 'Reduced Disclosure Framework' incorporating the amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has applied the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. Adoption of new and revised Standards

Impact of initial application of IFRS 16 Leases

In the current year, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described below. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is 1 September 2019.

The Company has applied IFRS 16 using the cumulative catch-up approach which:

- requires the Company to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

(a) Impact of the new definition of a lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for

2. Adoption of new and revised Standards (continued)

(a) Impact of the new definition of a lease (continued)

the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

(b) Impact on lessee accounting

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

(a) Recognises right-of-use assets and lease liabilities in the balance sheet, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii); and

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss.

Lease incentives (e.g. rent-free periods) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within the administrative expenses item.

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the balance sheet immediately before the date of initial application as an alternative to performing an impairment review.
- The Company has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(ii) Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Company has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 September 2019.

2. Adoption of new and revised Standards (continued)

(c) Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). This change has not resulted in the reclassification of any sub-lease agreements as finance leases.

(d) Financial impact of initial application of IFRS 16

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the balance sheet on 1 January 2019 was 2.9%.

The following table shows the operating lease commitments disclosed applying IAS 17 at 31 August 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the balance sheet at the date of initial application.

Impact on retained earnings as at 1 September 2019

	£'000
Operating lease commitments at 31 August 2019	2,997
Short-term leases and leases of low-value assets	(61)
Effect of discounting the above amounts	(536)
Finance lease liabilities recognised under IAS 17 at 31 August 2019	400
Lease liabilities recognised at 1 September 2019	2,800

The Company has recognised £2,800k of right-of-use assets and £2,800k of lease liabilities upon transition to IFRS 16.

2. Adoption of new and revised Standards (continued)

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation*	The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.
Annual Improvements to IFRS Standards 2015–2017 Cycle *IAS 12* Income Taxes and *IAS 23* Borrowing Costs	The Company has adopted the amendments included in the *Annual Improvements to IFRS Standards 2015–2017 Cycle* for the first time in the current year. The *Annual Improvements* include amendments to four Standards, two of which in respect of IFRS 3 and IFRS 11 are not applicable to the Company. IAS 12 *Income Taxes* The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. IAS 23 *Borrowing Costs* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
IFRIC 23 *Uncertainty over Income Tax Treatments*	The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to: • determine whether uncertain tax positions are assessed separately or as a group; and • assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings: o If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Notes to the financial statements (continued)
For the year ended 31 August 2020

3. Significant accounting policies

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group financial statements of Aldgate Midco 2 Ltd. The group financial statements of Aldgate Midco 2 Ltd are available to the public and can be obtained as set out in note 28.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Prior to the date of transition to FRS 101, trading freehold land and buildings were previously held under the Revaluation model with the surplus or deficit on fair value being transferred to the revaluation reserve. At the date of transition to FRS 101 the company has used the fair value in its opening FRS 101 balance sheet as deemed cost. The freehold land and buildings have subsequently been recognised at cost less accumulated depreciation and impairment under the cost model. The net impact of this change in accounting policy on the carrying value of the assets was £nil (2019: £nil; 2018: £nil).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

* Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
* Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
* Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' value in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £21,273 with no impairment loss recognised in the year ended the 31 August 2020 or the period ended 31 August 2019.

3. Significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. The revenue shown in the profit and loss account represents income receivable for holidays departing in the period plus other related income that primarily arises from on-site retail sales. Income from the sale of holiday insurance is included at its gross amount as the group acts as principal for these sales.

All holiday related income is recognised on the holiday departure date whilst non-holiday income is recognised when the product or service is provided to the customer. All revenue is recorded net of VAT. Holiday deposits received in advance for holidays departing after the period-end are included within deferred income in creditors.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

The company participates in a group defined benefit scheme which is the legal responsibility of PGL Travel Limited as the sponsoring employer. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements comprising actuarial gains and losses, the effect of the return on scheme assets (excluding interest), are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Re-measurement recorded in the statement of comprehensive income is not recycled. Past service cost is recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the defined benefit asset or liability. Defined benefit costs are split into three categories:

- current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income;
- and re-measurement.

The company presents the first two components of defined benefit costs within cost of sales and administrative expenses.

Net interest expense or income is recognised within finance costs.

The retirement benefit obligation recognised in the balance sheet represents the deficit in the defined benefit scheme.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

3. Significant accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation on buildings is charged to profit or loss.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

3. Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold and long leasehold buildings	50 years straight-line
Leasehold buildings	20 years straight-line
Plant and machinery	10% to 50% straight-line
Motor vehicles	16% to 25% straight-line

No depreciation is provided on freehold land or assets in the course of construction.

The residual value of freehold buildings has been calculated at 80% of the cost of the buildings.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

- The amortisation period for software costs is either five years for purchased software or ten years for bespoke software.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. Significant accounting policies (continued)

Impairment of tangible and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Significant accounting policies (continued)

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government

Notes to the financial statements (continued)

For the year ended 31 August 2020

3. Significant accounting policies (continued)

Government grants (continued)

grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Going concern

Following our successful re-opening for schools and an excellent summer for our consumer products the Company will be seeking to capitalise on development opportunities as they arise while continuing to provide residential outdoor education and adventure trips for school children in the UK and overseas through the market leading PGL brand.

Academic year 21/22 UK school bookings have been very positive throughout the summer term (once guidance was lifted in May 2021) and we expect this trend to continue into the Autumn term. We remain cautious for overseas travel during academic year 21/22.

The Directors have prepared forecasts for a range of cash flow scenarios from the date of the approval of these financial statements. In all cases the forecasts prepared indicate the Group has sufficient financial resources to continue in operation for the foreseeable future. These scenarios focus on the appetite of schools to commence making future bookings in relation to overseas travel and the timing of a return to normalised trading of this product.

The company is a subsidiary of Aldgate Education Topco Limited, which manages its facilities and working capital across the Group.

The Directors of this company have sought and received an expression of the parent company's intention to provide such support as may be necessary for the foreseeable future, this has been provided in the form of a letter of support from Aldgate Education Topco Limited declaring the provision of necessary funding to PGL Travel Limited for at least one full year from the approval of these financial statements. In relying on this support, the Directors have considered Aldgate Education Topco Limited's ability to continue to provide this support through the borrowing facilities available to it and have concluded that the group has adequate resources to continue to operate for at least the next 12 months.

The Directors therefore have prepared the financial statements on a going concern basis.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the company's accounting policies

Accounting for Ground Rent deals executed in the year

During the year the company entered into Ground Rent transactions which could be considered to be Sale and Leaseback transactions or financing transactions. The key judgement was to determine if a sale had taken place under IFRS 15. In all cases no sale was deemed to have occurred as the Group maintain control of the assets for substantially all of the assets' useful lives. As such these transactions have been treated as financing transactions with no derecognition of the related assets and simply the recognition of future liabilities relating to the payments required.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The directors do not consider there to be any key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Turnover

An analysis of the company's turnover by class of business is set out below.

Revenue from continuing operations	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Provision of activity holidays and educational tours	26,491	132,892

An analysis of the company's turnover by geographical market is set out below.

Turnover	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
UK	25,735	122,642
Rest of Europe	514	8,526
Other	242	1,724
	26,491	132,892

6. Operating (loss)/profit

Operating (loss)/profit for the period has been arrived at after charging/(crediting):

	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Net foreign exchange loss/(gains)	258	(285)
Depreciation of ROU assets and PPE	3,892	4,739
Amortisation of other intangible assets	1,109	1,563
Gain on disposal of tangible fixed assets	(152)	(13)
Cost of inventories recognised as an expense	383	1,882
Staff costs (see note 9)	30,554	47,661

During the period management recharges of £0.380m (2019: £6.185m) were charged by the company to PGL Adventure Limited in respect of administration expenses incurred on its behalf.

Notes to the financial statements (continued)

For the year ended 31 August 2020

6. Operating (loss)/profit (continued)

Government support in relation to the Covid-19 pandemic:

During the year the company received Government support of £6,914k in relation to the Coronavirus Job Retention Scheme. Coronavirus Job Retention Scheme benefit is recognised in Other Operating Income.

During the year the company received Government support of £476k in relation to Business Rates Reductions. Business Rates Reduction benefit is recognised as reduced Admin Expenses.

During the year the company received Government support of £75k in relation to Covid Grants. Covid Grants benefit is recognised in Other Operating Income.

As at 31 August 2020 deferred PAYE payments totalled £888k (2019: Nil) and deferred VAT payments totalled £3,185k (2019: Nil).

7. Other operating income

	Year ended 31 August 2020 £'000	17 month period ended 31 August 2019 £'000
Management charged received from PGL Adventure Limited	380	6,185
Coronavirus Job Retention Scheme	6,914	-
Covid Grant Received	75	-
	7,369	6,185

8. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual financial statements for the period ended 31 August 2020 were £78,000 (2019: £65,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

9. Staff costs

The average monthly number of employees was:

	2020 Number	2019 Number
Permanent	535	549
Seasonal	908	1,644
	1,443	2,193

Their aggregate remuneration comprised:

	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Wages and salaries	28,328	43,673
Social security costs	1,329	2,615
Other pension costs	897	1,373
	30,554	47,661

Details of Directors' remuneration can be found in Note 26.

10. Interest receivable and similar income

	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Interest from short-term deposits	16	9
Interest income on defined benefit scheme assets	26	286
	42	295

11. Interest payable and similar expenses

	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Interest expense on defined benefit scheme liabilities	158	278
Interest on lease liabilities	95	-
Interest on Ground Rent Lease Funding (note 20)	3,805	-
	4,058	278

Notes to the financial statements (continued)
For the year ended 31 August 2020

12. Tax

	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Corporation tax:		
UK corporation tax	(3,128)	4,922
Adjustments in respect of prior years	29	88
Total current tax	(3,099)	5,010
Deferred tax: (see note 22)		
Origination and reversal of temporary differences	2,150	934
Adjustments in respect of prior years	(108)	30
Effect of changes in tax rate	-	-
Total deferred tax	2,042	964
Tax per profit and loss account	(1,057)	5,974
Other comprehensive income items		
Deferred tax current year charge/(credit)	6	2
	(1,051)	5,976

Corporation tax is calculated at 19% (2019: 19%) of the estimated taxable profit for the period.

Factors affecting total tax charge for the current period

The charge for the period can be reconciled to the profit in the profit and loss account as follows:

	£'000	£'000
(Loss)/Profit before tax	(17,093)	35,166
Tax at the UK corporation tax rate of 19% (2019: 19%)	(3,248)	6,682
Tax effect of expenses that are not deductible in determining taxable profit	547	464
Tax effect of income not taxable in determining taxable profit	(3)	(12)
Tax effect of rate changes	1,725	(110)
Effects of group relief and other reliefs claimed	-	(1,168)
Adjustment in respect of prior years	(78)	118
Tax (credit)/ charge for the year	(1,057)	5,974

12. Tax (continued)

In the March 2021 Budget, the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As the changes had not been substantively enacted at the balance sheet date, tax for the year ended 31 August 2020 has been based on a rate of 19%. The directors are not aware of any other factors that will materially affect the future tax charge.

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised in other comprehensive income:

Total tax charge/(credit):	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Pension – defined benefit	6	2

	£'000	£'000
Deferred tax (assets)/liabilities		
Provision at start of year	14,652	13,686
Adjustment in respect of prior years and changes in tax rate	(108)	30
Deferred tax charge to profit and loss for the period	2,151	934
Deferred tax (credit)/charge in OCI for the period	6	2
Provision at end of year	16,700	14,652

Deferred tax (assets)/liabilities	£'000	£'000
Fixed assets	16,280	14,049
Loan Relationships	(353)	-
Rolled over gains	316	282
Retirement benefits	80	(25)
Intangibles	377	346
Provision at end of year	16,700	14,652

13. Dividends

	Year ended 31 August 2020 £'000	Period ended 31 August 2019 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year (2020: equivalent to £Nil per share, 2019: £Nil per share).	-	-

14. Intangible assets

	Software costs £'000	Total £'000
Cost		
At 1 September 2019	7,264	7,264
Additions	775	775
Disposals	(1,016)	(1,016)
At 31 August 2020	7,023	7,023
Amortisation		
At 1 September 2019	3,714	3,714
Charge for the year	1,109	1,109
Disposals	(1,016)	(1,016)
At 31 August 2020	3,807	3,807
Carrying amount		
At 31 August 2020	3,216	3,216
At 31 August 2019	3,550	3,550

The amortisation period for software costs is either five years for purchased software or ten years for bespoke software.

15. Right of use assets

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 September 2019	-	-	-	-
Recognised on adoption of IFRS16	2,198	136	66	2,400
Transfers from PPE (previously recorded under IAS17)	-	-	627	627
Disposals	-	-	-	-
At 31 August 2020	2,198	136	693	3,027
Accumulated depreciation and impairment				
At 1 September 2019	-	-	-	-
Charge for the period	182	48	123	353
Elimination on disposals	-	-	-	-
Transfers from PPE (previously recorded under IAS17)	-	-	82	82
At 31 August 2020	182	48	205	435
Carrying amount				
At 31 August 2020	2,016	88	488	2,592
At 31 August 2019	-	-	-	-

Right-of-use assets

Amounts recognised in profit and loss	**2020 £'000**
Depreciation expense on right-of-use assets	353
Interest expense on lease liabilities	95
Expense relating to short-term leases	33
Expense relating to leases of low value assets	28

At 31 August 2020, the Company is committed to £nil for short-term leases.

For the year ended 31 August 2021 total cash outflows for leases totalled £439k. All lease payments are fixed. The company does not have any leases that have variable payments.

PGL Travel Limited

Notes to the financial statements (continued)
For the year ended 31 August 2020

16. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 September 2019	150,745	15,708	600	7,335	174,388
Additions	700	1,224	165	1,172	3,261
Transfers between classes	5,740	489	-	(6,229)	-
Transfer to Right Of Use Assets (note 15)	-	-	(627)	-	(627)
Disposals	-	(2,808)	-	(479)	(3,287)
At 31 August 2020	157,185	14,613	138	1,799	173,735
Accumulated depreciation					
At 1 September 2019	4,650	6,632	179	-	11,461
Charge for the period	737	2,791	11	-	3,539
Elimination on disposals	-	(2,772)	-	-	(2,772)
Transfer to Right Of Use Assets (note 15)	-	-	(82)	-	(82)
At 31 August 2020	5,387	6,651	108	-	12,146
Carrying amount					
At 31 August 2020	151,798	7,962	30	1,799	161,589
At 31 August 2019	146,095	9,076	421	7,335	162,927

All fixed assets are initially recorded at cost.

Included within the carrying amount of land and buildings is a carrying amount of £130,895,323 (2019: £130,323,268) in relation to freehold land and buildings, £884,700 (2019: £877,300) in relation to short-term leasehold land and buildings and £20,017,610 (2019: £14,894,175) in relation to long-term leasehold land and buildings.

17. Fixed asset investments

	31 August 2020 £'000	31 August 2019 £'000
Investments in subsidiaries	21	21

Subsidiaries

	£'000
Cost	
At 1 September 2019	21
Additions	-
At 31 August 2020	21
Carrying amount	
At 31 August 2020	21
At 31 August 2019	21

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. No impairment occurred in either the current or prior period.

Note 27 includes details of all related undertakings and forms part of these financial statements.

At 31 August 2020, the company held more than 10% of a class of the allotted equity share capital of the following undertakings:

Subsidiaries	Country of registration	Class of share capital held	Company	Nature of business
PGL Adventure Ltd.	United Kingdom	Ordinary	100%	Transport services company
HB PGL Holding Limited	United Kingdom	Ordinary	100%	Property ownership
PGL Travel PTY Ltd	Australia	Ordinary	100%	Holding company
PGL Property PTY Ltd *	Australia	Ordinary	100%	Property ownership
PGL Adventure Camps PTY Ltd *	Australia	Ordinary	100%	Provision of activity holidays
PGL Camps PTY Ltd *	Australia	Ordinary	100%	Property ownership

* Held via a subsidiary company.

PGL Adventure Limited's registered office is Alton Court, Penyard Lane, Ross-on-Wye, Herefordshire, HR9 5GL.

HB PGL Holding UK Limited's registered office is Alton Court, Penyard Lane, Ross-on-Wye, Herefordshire, HR9 5GL.

PGL Adventure Camps PTY Limited's registered office is 72 Market Street, South Melbourne, VIC 3205.

The company has claimed exemption under section 400 of the Companies Act 2006 from disclosure of the results and share capital and reserves of the above-named subsidiary as the results of the company and its subsidiary are consolidated into the financial statements of Aldgate Midco 2 Ltd, which are publicly available (see note 28).

18. Stocks

	31 August 2020 £'000	31 August 2019 £'000
Raw materials and consumables	427	451
Finished goods	267	320
	694	771

19. Debtors

	31 August 2020 £'000	31 August 2019 £'000
Amounts repayable within one year:		
Amounts receivable for the sale of goods and services	1,904	7,305
Prepayments and accrued income	1,147	2,105
	3,051	9,140
Amounts owed by fellow subsidiaries of Aldgate Education Midco 2 Ltd	154,061	20,519

Amounts owed by fellow subsidiaries of Aldgate Education Midco 2 Ltd are repayable on demand, unsecured and interest-free. Despite being repayable on demand, amounts owed by Aldgate Education Midco 2 Ltd have been classified as repayable in more than one year as management believe the debt will not be settled within the next 12 months.

20. Creditors:

	31 August 2020 £'000	31 August 2019 £'000
Amounts falling due within one year		
Trade payables	412	2,983
Amounts owed to group undertakings (note 21)	54,815	56,191
Corporation Tax	1,585	4,684
Other taxation and social security	1,820	911
Other payables	1,424	207
Accruals and deferred income	30,408	27,024
Ground rent lease funding with LXI Reit PLC	428	428
Ground rent lease funding with SGSS^1 & SGSS^2	4,551	-
Ground rent lease funding with BOB & WGTC	2,771	-
Obligations under finance leases	-	82
Lease liability	345	-
	98,559	92,510

Notes to the financial statements (continued)

For the year ended 31 August 2020

20. Creditors (Continued)

	31 August 2020 £'000	31 August 2019 £'000
Amounts falling due after more than one year		
Deferred income	613	593
Ground rent lease funding with LXI Reit PLC	7,559	7,606
Ground rent lease funding with SGSS^1 & SGSS^2	98,942	-
Ground rent lease funding with BOB & WGTC	43,028	-
Obligations under finance leases	-	318
Lease liability	2,273	-
	152,415	8,517

Amounts owed to group undertakings are repayable on demand, unsecured and interest-free.

The company continued to hold £8m of secured ground rent lease funding with LXi Reit PLC charged at an interest rate of 4.98% which is subject to an annual inflationary increase.

During the year the company secured ground rent leasing in three separate tranches. The transactions were with the third parties listed below whereby the company grant head leases over the properties to the third party, the third-party grants ground leases to the company to occupy the property and options to repurchase those properties represent, in substance, secured borrowing.

	Inception of leases date	Head lease date	Occupational lease date	Consideration for headlease and occupational lease £	Option date	Third party entity head leases sold to
Bawdsey Manor	12 December 2019	12 December 3018	12 December 3143	8,149,535	12 December 2144	SGSS^1 & SGSS^2
Little Canada	12 December 2019	12 December 3018	12 December 3018	13,305,736	12 December 2144	SGSS^1 & SGSS^2
Dalguise	12 December 2019	12 December 2194	12 December 2194	7,556,344	12 December 2144	SGSS^1 & SGSS^2
Boreatton Park	23 December 2019	23 December 3018	23 December 3018	16,125,676	23 December 2144	SGSS^1 & SGSS^2
Caythorpe	23 December 2019	23 December 3018	23 December 3018	23,247,909	23 December 2144	SGSS^1 & SGSS^2
Osmington	23 December 2019	23 December 3018	23 December 3018	22,982,635	23 December 2144	SGSS^1 & SGSS^2
Windmill Hill	23 December 2019	23 December 3018	23 December 3018	11,444,028	23 December 2144	SGSS^1 & SGSS^2
Liddington	20 December 2019	20 December 3018	20 December 3018	45,177,903	20 December 2369	BOB & WGTC

Key

SGSS^1 = SGSS TDS (NOMINEE 1) LIMITED
SGSS^2 = SGSS TDS (NOMINEE 2) LIMITED
BOB = British Overseas Bank Nominees Limited
WGTC = WGTC Nominees Limited

The secured ground lease funding is held as a financial liability. More details disclosed within note 3.

21. Amounts owed to group undertakings

	31 August 2020 £'000	31 August 2019 £'000
Unsecured borrowing at amortised cost		
Amounts owed to group undertakings	54,815	56,191

The principal features of the company's borrowings are as follows:

The company had three principal group loans at 31 August 2020 and as at 31 August 2019:

(a) an unsecured loan of £51,604,250 (2019: £52,922,274) from the company's parent which is repayable on demand and carries no interest.

(b) an unsecured loan of £959,458 (2019: £1,002,182) from fellow subsidiaries which are repayable on demand and carry no interest.

(c) an unsecured loan of £2,251,123 (2019: £2,266,680) from a fellow group company which is repayable on demand and carries no interest.

22. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Tangible fixed assets and rolled over gains £'000	Retirement benefits £'000	Loan relationships £'000	Intangibles £'000	Total £'000
Deferred tax (assets)/liabilities					
At 1 April 2018	13,502	(188)	-	372	13,686
Charge to profit or loss	799	161	-	(26)	934
Adjustments in respect of prior years	30	-	-	-	30
Charge to other comprehensive income	-	2	-	-	2
At 31 August 2019	14,331	(25)	-	346	14,652
Charge to profit or loss	2,376	100	(353)	27	2,150
Adjustments in respect of prior years	(113)		-	5	(108)
Charge to other comprehensive income	-	6	-	-	6
At 31 August 2020	16,594	81	(353)	378	16,700

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

23. Share capital and reserves

	31 August 2020 £'000	31 August 2019 £'000
Authorised, issued and fully paid:		
13,550,000 ordinary shares of £1 each	13,550	13,550

The company has one class of ordinary shares which carry no right to fixed income.

The revaluation reserve relates to a prior period gain on trading freehold land and buildings. Prior to the date of transition to FRS 101, trading freehold land and buildings were held under the Revaluation model with the surplus or deficit on fair value being transferred to the revaluation reserve. At the date of transition to FRS 101 the company has used the fair value in its opening FRS 101 balance sheet as deemed cost.

The profit and loss account is the aggregate of the cumulative profit and loss, other comprehensive income less dividends paid.

24. Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualified employees of UK entities in the PGL Group. The assets of the scheme are held in separate trustee-administered funds. Contributions made during the period by the company and its employees amounted to £36,000 (2019: £1,368,000); £2,487 is included in payables, in respect of unpaid contributions (2019: £2,956).

Defined benefit schemes

The PGL Group sponsors the PGL Voyages Limited Pension and Life Assurance Scheme, which is a funded defined benefit scheme. No other post-retirement benefits are provided.

The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 4 October 2019 and updated on an approximate basis to 31 August 2020 by Mr Allsopp of Quattro Pensions, Fellow of the Institute and Faculty of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost was measured using the projected unit credit method.

The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. The accumulated benefit obligation (ABO) is an actuarial measure of the present value for service already rendered but differs from the projected unit credit method in that it includes no assumptions for future salary increases.

The scheme typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estate. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

24. Retirement benefit schemes (continued)

The principal assumptions at the balance sheet date were:

	Valuation at		
	31 August 2020	**31 August 2019**	**31 March 2018**
	%	**%**	**%**
Discount rate	1.6	1.8	2.5
Expected return on scheme assets	2.5	2.5	2.5
Expected rate of salary increases	4.2	4.4	4.0
Future pension increases	2.5	2.5	2.5
Inflation	3.2	3.5	3.0

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The mortality assumptions adopted at 31 August 2020 imply the following life expectancies:

	31 Aug 20	**31 Aug 19**
Male now aged 45, life expectancy from age 65	22.8 years	22.5 years
Male now aged 65	21.8 years	21.5 years
Female now aged 45, life expectancy from age 65	25.3 years	24.6 years
Female now aged 65	24.1 years	23.4 years

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	**Percentage change to liability value**	**Addition to liability value £'000**
Reduce discount rate by 0.5% pa	8.8%	772
Increase inflation rate by 0.5% pa	0.2%	17
Add 1 year to life expectancies	3.0%	264

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

24. Retirement benefit schemes (continued)

Amounts recognised in the profit and loss in respect of these defined benefit schemes are as follows:

	31 August 2020 £'000	31 August 2019 £'000
Interest cost	158	278
Expected return on scheme assets	(184)	(286)
Current service cost	25	34
Total recognised in the profit and loss account	(1)	26

Amounts recognised in the statement of comprehensive income are as follows:

	31 August 2020 £'000	31 August 2019 £'000
Actuarial (gains)/losses arising from changes in demographic assumptions	(375)	(31)
Actuarial losses arising from changes in financial assumptions	190	961
Actuarial loss/(gain) on assets	80	(939)
Total recognised in the statement of comprehensive income	(105)	(9)

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2020 £'000	2019 £'000	2018 £'000
Present value of defined benefit obligations	(8,804)	(9,009)	(8,025)
Fair value of scheme assets	10,436	10,502	6,999
Funded status	1,632	1,493	(1,026)
Net asset/(liability) recognised in the balance sheet	1,632	1,493	(1,026)

24. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations were as follows:

	2020 £'000	2019 £'000
At beginning of year	9,009	8,025
Service cost	25	34
Employee contributions	3	5
Interest cost	158	278
Actuarial (gains)/losses	(185)	930
Benefits paid	(206)	(263)
At end of year	8,804	9,009

Movements in the fair value of scheme assets were as follows:

	2020 £'000	2019 £'000
At beginning of year	10,502	6,999
Employee contributions	3	5
Expected return on scheme assets	184	286
Actuarial (loss)/gain	(80)	939
Contributions from the sponsoring companies	33	2,536
Benefits paid	(206)	(263)
At end of year	10,436	10,502

The fair value of the major categories of scheme assets at the balance sheet date are as follows:

	Fair value of assets		
	2020 £'000	2019 £'000	2018 £'000
Equities	-	2,366	3,028
Bonds	10,337	6,834	3,082
Property	-	160	34
Other	99	1,142	855
Overall for scheme	10,436	10,502	6,999

The assets are reviewed on a quarterly basis. The Group has sought to ensure the long-term security of the defined benefit commitment and reduce earnings and balance sheet volatility.

The estimated amounts of contributions expected to be paid to the scheme during the 2021 financial year is £36,000.

The triennial valuation of the Group's pension scheme took place on 4 October 2019. The Group will monitor funding levels annually and the funding schedule will be reviewed between the Group and the trustees every three years, based on actuarial valuations. The Group considers that the contribution rates agreed with the trustees are sufficient to maintain the current asset position.

The levels of contributions are based on the current service cost and the expected future cash flows of the defined benefit scheme.

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For the year ended 31 August 2020

25. Related party transactions

The company has claimed exemption under FRS 101 8(k) from disclosing transactions with related parties entered into between two or more members of a group, as any subsidiary which is party to the transaction is a whole owner member of that group. Balances outstanding relating to group entities have been disclosed in aggregate within notes 18, 19 and 20.

26. Directors' remuneration

A G Jones, C R Hayward, R Sanders, P Sladen, S Parkin, N Currie, A Clegg, A Bracey and A G Jones are employed by Midlothian Capital Partners (Education) Limited, and their remuneration is disclosed in the financial statements of Midlothian Capital Partners (Education) Limited.

Former directors, P J Churchus, A G Sadler and J G Firth were employed up until the point they resigned by PGL Travel Limited, and their remuneration is disclosed in the financial statements of Midlothian Capital Partners (Education) Limited.

It is not practicable to allocate the directors' remuneration between their services as directors of these companies and their services as directors of PGL Travel Limited.

27. Related undertakings

At 31 August 2020, the company held more than 10% of a class of the allotted equity share capital of the following undertakings:

Subsidiaries	Country of registration	Class of share capital held	Company	Nature of business	Registered office address
PGL Adventure Ltd.	United Kingdom	Ordinary	100%	Provision of transport services	Alton Court, Penyard Lane, Ross-on-Wye, Herefordshire, HR9 5GL
HB PGL Holding Limited	United Kingdom	Ordinary	100%	Property holding company	Alton Court, Penyard Lane, Ross-on-Wye, Herefordshire, HR9 5GL
PGL Travel PTY Ltd	Australia	Ordinary	100%	Intermediate holding company	72 Market St, 3006 Southbank, Australia
PGL Adventure Camps PTY Ltd	Australia	Ordinary	100%	Provision of travel services	72 Market St, 3006 Southbank, Australia
PGL Property PTY Ltd	Australia	Ordinary	100%	Property holding company	72 Market St, 3006 Southbank, Australia
PGL Camps PTY Ltd	Australia	Ordinary	100%	Provision of travel services	72 Market St, 3006 Southbank, Australia

The company has claimed exemption under section 400 of the Companies Act 2006 from disclosure of the results and share capital and reserves of the above-named subsidiaries as the results of the company and its subsidiaries are consolidated into the financial statements of Aldgate Education Midco 2 Ltd, which are publicly available (see note 28.)

28. Controlling party

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party is Holiday Investment S.à r.l, a company incorporated in Luxembourg.

The smallest and largest group for which group financial statements have been drawn up is that headed by Aldgate Education Midco 2 Ltd. The financial statements can be obtained from its registered address at Aldgate Education Midco 2 Ltd, Alton Court, Penyard Lane, Ross-On-Wye, Herefordshire, HR9 5GL.

The immediate parent undertaking is P.G.L.Voyages Limited.

29. Capital commitments

At 31 August 2020 the company had contractual commitments for development of land and buildings of £nil (2019: £34,544).

30. Events after the balance sheet

On 19 August 2021 the company purchased a freehold property, Newby Wiske Hall, Newby Wiske, Northallerton, North Yorkshire, DL7 9HA for consideration of £2.5m. The intention is to develop this into a new activity centre.

Subject to the varying devolved administration rulings our UK centres have traded successfully since April 2021 (under COVID-secure operating procedures) welcoming back schools from April, our Family Adventure product from May and our Adventure Holiday product during July / August.