Company Registration Number 01191534

PGL TRAVEL LIMITED

Annual Report and Financial Statements

For the year ended 31 August 2021

PGL Travel Limited

Annual Report and Financial Statements
For the year ended 31 August 2021

Contents **Page**

PGL Travel Limited

Officers and professional advisers

DIRECTORS

S Parkin
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

Addleshaw Goddard LLP
One St Peter's Square
Manchester
M2 3DE

AUDITOR

Deloitte LLP
Statutory Auditor
Bristol
United Kingdom

PGL Travel Limited

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 2021 presented in accordance with United Kingdom Accounting Standards.

Review of the business

The financial year was severely impacted given Department for Education ("DfE") guidance first announced in March 2020 prohibiting UK schools from overnight residential trips in the UK or overseas.

The DfE only updated guidance in April 2021 allowing schools to resume day visits from 12 April 2021 and domestic overnight educational visits from 17 May 2021. Subsequently, 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.

As a result of guidance and subject to the varying devolved administration rulings our UK centres remained closed until at least April 2021. From that date our UK centres traded successfully (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 2021 / August 2021.

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. Given restrictions on international trips remained in place for the entire financial year our French centres remained closed, and our Tour brands were limited to offering UK trips from April 2021 in line with guidance.

As a consequence of trade being restricted during the financial year the Company continued to limit losses and protect liquidity by;

- utilising appropriate government job retention schemes;
- 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.

Once guidance was lifted in May 2021 on taking academic year 21/22 UK school bookings enquiries and conversion trended positively throughout the summer term.

Key performance indicators

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

- Revenue: Revenue for the year was £31.8m (2020: £26.5m)
- EBITDA: EBITDA for the year was £0.1m (2020: £8.1m)

EBITDA being earnings before interest, taxation, depreciation and amortisation. The key performance indicators above were negatively impacted by the Covid-19 pandemic for both years. The impact in 2020 covered approximately 5 months of the year whereas 2021 was impacted for the full period. These impacts varied dependent upon the stages of Government imposed lockdowns, both in the UK and internationally.

Future developments

The positive momentum on academic year 21/22, UK school bookings continued throughout the Autumn term with the later booking curve pattern expected to continue into 2022. We remain cautious for overseas travel during academic year 21/22 given the late guidance change in July 2021 and the current single vaccination status of UK 12-15 year-olds. The recent Government decision to commence the double vaccination of UK 12-15 year-olds and grant the ability to obtain a NHS Covid Pass letter for International travel is a positive development.

Following our successful emergence from the pandemic we 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.

Strategic report (continued)

Post Balance Sheet Events

In November 2021 the Group, being Aldgate Education Topco Limited and its subsidiaries, secured an extension of existing borrowing facilities 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 £35m. £30m of the facility is reserved for development capital expenditure. 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 both EBITDA and liquidity covenants.

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 Travel Limited's revenue the risks associated with consumers becoming more environmentally aware are considered minimal. Directors will monitor the situation and take appropriate action where necessary for example 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.

Going concern

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

The Directors of this company have sought and received an expression of the parent company's commitment to provide such support as may be necessary for 12 months from the date of signing of the accounts, 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 from the date of signing of the accounts.

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

PGL Travel Limited

Strategic report (continued)

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 2021 were equivalent to 9 days (2020: 13 days) purchases, based on the average daily amount invoiced by suppliers during the period.

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 regular calls and receiving weekly liquidity reports during the financial year. 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, 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.

Section 172 statement

The Group'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.

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. The group engages with its employee through surveys which enables the feedback on their views on what we do well, and what we can do better. Management reviews the feedback in meetings and implement changes where necessary.

Stakeholder Engagement (s172(1)(c))

The board recognises that relationships with PGL Travel Limited 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 Ltd, 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 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 PGL Travel Limited 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.

Strategic report (continued)

Section 172 statement (continued)

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., major investor 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 Senior Facilities Arrangement ("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.

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, and to pay them on agreed terms

PGL Travel Limited

Strategic report (continued)

Section 172 statement (continued)

Communities and environment (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.

The need to act fairly between members of the company (S172(1)(f))

The board has a responsibility to ensure that there is no information assymentry and that all members receive the same infoirmation. The board has established reporting, meetings and information sharing systems to ensure that members are treated fairly

Approved by the Board and signed on its behalf by:

L T Creighton
Director
17 December 2021

PGL Travel Limited

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 2021.

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

In November 2021 the Group secured an extension of existing borrowing facilities 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 £35m. £30m of the facility is reserved for development capital expenditure. 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 both EBITDA and liquidity covenants.

Research and development

During 2021 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 (see strategic report on page 3). Directors are proactive in monitoring risks and take quick and decisive action where necessary. Further information can be found in the strategic report.

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 (2020: £nil (£nil per share)). No dividends have been proposed since 31 August 2021.

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)
S Parkin
N Currie (Resigned 30 November 2021)
A Clegg (Resigned 30 November 2021)
A Bracey (Resigned 30 November 2021)
A G Jones
C R Hayward (Resigned 11 February 2021)
L T Creighton (Appointed 11 February 2021)
R Sanders (Resigned 15 January 2021)
P Sladen (Resigned 15 January 2021)

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, the usage for the year-ended 31 August 2021 is set out in the table below.

	kWh	Litres	CO2e Tonnes	Conversion for kWh/Litres*
Fuel types:				
Scope 1				
Natural gas	3,716,490	232,057	1,217	0.23031/1.55709
Petrol & diesel	-	7,849	21	2.70553
Oil	-	318,059	808	2.54014
	3,716,490	**557,965**	**2,046**	
Scope 2				
Electricity grid & renewable	5,077,726	-	1,078	0.21233
	8,794,216	**557,965**	**3,125**	

Greenhouse Gas Emissions Intensity Ratio:	**2021**	**2020**
CO2e Tonnes per £100,000 of revenue	9.8	18.9

Due to Covid-19 Revenue has been adversely affected for the year ended 31 August 2020 and year ended 31 August 2020, therefore the above ratios are not indicative of a normalised trading period.

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

Energy and Carbon Regulations (continued)

Comparative information on UK Energy use for the year ended 31 August 2020 is as follows:

	kWh	Litres	CO2e Tonnes	Conversion for kWh/Litres*
Fuel types:				
Scope 1				
Natural gas	7,832,986	375,322	2,180	0.20374/1.55537
Petrol & diesel	-	10,254	28	2.68787
Oil	-	523,403	1,330	2.54039
	7,832,986	**908,979**	**3,538**	
Scope 2				
Electricity grid & renewable	6,480,321	-	1,511	0.23314
	14,313,307	**908,979**	**5,048**	

In order to calculate the data above, consumption data was determined using monthly meter data and delivery notices to establish usage. Emissions were determined by applying UK government conversion factors to the energy consumption values and aggregating the total.

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
17 December 2021

PGL Travel Limited

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.

PGL Travel Limited

Independent auditor's report to the member 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 2021 and of its loss 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 income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include UK Companies Act and Tax Legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include Health and Safety legislation, ABTA and ATOL rules and CAA Bonds.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

Cancellation Income

We identified a fraud risk in relation to Revenue recognised in relation to trips that did not depart due to Covid-19 restrictions. Our procedures to respond to the risk identified included the following:

- Reviewing guidance issued by relevant governments in relation to Covid-19 restrictions and assessing the impact on the entity's operations
- Reviewing communications between the entity and third parties to identify settlement of deposits and future bookings where relevant
- Performing substantive procedures to establish whether events between original trip date and the period end contradict the recognition of Revenue in relation to trips
- Performing substantive procedures to identify discrepancies between income recognised and supporting documentation

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

Claims Provisions & Contingent Liabilities

We have identified a fraud risk in relation to certain third party claims which management are disputing. Our procedures to respond to the risk identified included the following:

- Enquiring of management and legal counsel concerning the claims received and potential liabilities arising from them and reviewing their responses
- Reading minutes of meetings of those charged with governance
- Performing substantive procedures to reconcile data within the claims to entity reports and identify any differences
- Performing post period-end procedures to identify any potential new liabilities and/or changes in circumstances that would impact the accounts to 31 August 2021

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

- In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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 member 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

17 December 2021

PGL Travel Limited

Profit and loss account
For the year ended 31 August 2021

	Note	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Turnover	5	31,797	26,491
Cost of sales		(23,945)	(35,328)
Gross profit/(loss)		7,852	(8,837)
Administrative expenses		(12,606)	(11,609)
Other operating income	7	3,716	7,369
Operating loss	6	(1,038)	(13,077)
Interest receivable and similar income	10	170	42
Interest payable and similar expenses	11	(5,154)	(4,058)
Loss before taxation		(6,022)	(17,093)
Tax on loss	12	(5,474)	1,057
Loss for the financial period attributable to owner of the company		(11,496)	(16,036)

Turnover and operating loss are all derived from continuing operations.

PGL Travel Limited

Statement of comprehensive income
For the year ended 31 August 2021

	Note	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Loss for the financial year		(11,496)	(16,036)
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of pension scheme	23	(10)	105
Deferred tax timing differences	12	36	(6)
Other comprehensive income for the year net of tax		26	99
Total comprehensive expense for the year attributable to the owner of the company		(11,470)	(15,937)

PGL Travel Limited

Balance sheet
As at 31 August 2021

	Note	31 August 2021 £'000	31 August 2020 Restated* £'000
Fixed assets			
Intangible assets	13	2,790	3,216
Right of use assets	14	2,533	2,592
Property, plant and equipment	15	164,221	161,589
Investments	16	137,335	154,082
		306,879	321,479
Current assets			
Stocks	17	628	694
Debtors	18	3,212	3,051
Cash at bank and in hand		18,049	8,721
		21,889	12,466
Creditors: Amounts falling due within one year	19	(101,600)	(98,559)
Net current liabilities		(79,711)	(86,093)
Total assets less current liabilities		227,168	235,386
Creditors: Amounts falling due after more than one year	19	(150,449)	(152,415)
Deferred tax liability	21	(21,939)	(16,700)
Pension surplus	23	1,653	1,632
Net assets		56,433	67,903
Capital and reserves			
Called-up share capital	22	13,550	13,550
Revaluation reserves		34,782	34,928
Profit and loss account		8,101	19,425
		56,433	67,903

*See note 17 for detail on the restatement of the prior period balance.

The financial statements of PGL Travel Limited (registered number 01191534) were approved by the Board of Directors and authorised for issue on 17 December 2021. They were signed on its behalf by:

L T Creighton
Director

PGL Travel Limited

Statement of changes in equity
For the year ended 31 August 2021

	Note	Share capital £'000	Revaluation reserves £'000	Profit and loss account £'000	Total £'000
Balance at 1 September 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	23	-	-	105	105
Deferred tax timing difference	12	-	-	(6)	(6)
Total comprehensive expense for the year		-	(151)	(15,786)	(15,937)
Dividends		-	-	-	-
Balance at 31 August 2020		13,550	34,928	19,425	67,903
Loss for the period		-	-	(11,496)	(11,496)
Transfer between reserves for excess depreciation		-	(146)	146	-
Re-measurement of pension scheme	23	-	-	(10)	(10)
Deferred tax timing difference	12	-	-	36	36
Total comprehensive expense for the year		-	(146)	(11,324)	(11,470)
Balance at 31 August 2021		13,550	34,782	8,101	53,433

Notes to the financial statements
For the year ended 31 August 2021

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.

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.

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.

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 Education Midco 2 Ltd. The group financial statements of Aldgate Education Midco 2 Ltd are available to the public and can be obtained as set out in note 26.

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 (2020: £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 2021 or the year ended 31 August 2020.

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.

3. Significant accounting policies (continued)

Taxation

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

Intangible assets (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)

Financial instruments (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.

Right of use assets and IFRS16

The Group has the right to direct the use of certain assets throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets according to the appropriate policy from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist.

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.

3. Significant accounting policies (continued)

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.

Right of use assets and IFRS16

The Group has the right to direct the use of certain assets throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets according to the appropriate policy from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist.

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 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 balance sheet 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

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 commitment to provide such support as may be necessary for the next 12 months from the date of signing of the accounts, 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 from the date of signing of the accounts.

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.

Judgements and 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 2021 £'000	Period ended 31 August 2020 £'000
Provision of activity holidays and educational tours	31,797	26,491

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

Turnover	Year ended 31 August 2021 £'000	Period ended 31 August 2020 £'000
UK	31,779	25,735
Rest of Europe	12	514
Rest of the world	6	242
	31,797	26,491

Notes to the financial statements
For the year ended 31 August 2021

6. Operating (loss)

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

	Year ended 31 August 2021 £'000	Period ended 31 August 2020 £'000
Net foreign exchange (gains) / loss	(34)	258
Depreciation of ROU assets and PPE	3,567	3,892
Amortisation of other intangible assets	1,062	1,109
Gain on disposal of tangible fixed assets	-	(152)
Cost of inventories recognised as an expense	1,775	383
Staff costs (see note 9)	17,177	23,640

During the period management recharges of £nil (2020: £380k) were charged by the company to PGL Adventure Limited in respect of administration expenses incurred on its behalf.

Government support in relation to the Covid-19 pandemic:

During the year the company received Government support of £3,191k (2020: £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 £1,095k (2020: £476k) in relation to Business Rates Reductions. Business Rates Reduction benefit is recognised as reduced Administration Expenses in the Profit and Loss Account.

During the year the company received Government support of £525k (2020: £75k) in relation to Covid Grants. Covid Grants benefit is recognised in Other Operating Income.

As at 31 August 2021 deferred PAYE payments totalled £1,402k (2020: £888k) and deferred VAT payments totalled £2,459k (2020: £3,185k).

7. Other operating income

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Management charged received from PGL Adventure Limited	-	380
Coronavirus Job Retention Scheme	3,191	6,914
Covid Grant Received	525	75
	3,716	7,369

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 2021 were £80,700 (2020: £78,000).

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, Aldgate Education Midco 2 Ltd are required to disclose such fees on a consolidated basis.

Notes to the financial statements
For the year ended 31 August 2021

9. Staff costs

The average monthly number of employees was:

	2021 Number	2020 Number
Permanent	461	535
Seasonal	489	908
	950	1,443

Their aggregate remuneration comprised:

	Year ended 31 August 2021 £'000	Period ended 31 August 2020 £'000
Wages and salaries	15,339	21,414
Social security costs	1,067	1,329
Other pension costs	771	897
	17,177	23,640

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

10. Interest receivable and similar income

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Interest from short-term deposits	2	16
Interest income on defined benefit scheme assets	168	26
	170	42

11. Interest payable and similar expenses

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Interest expense on defined benefit scheme liabilities	142	158
Interest on lease liabilities	90	95
Interest on Ground Rent Lease Funding (note 20)	4,388	3,805
Interest on deferred loan payments	534	-
	5,154	4,058

12. Tax

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Corporation tax:		
UK corporation tax	-	(3,128)
Adjustments in respect of prior years	199	29
Total current tax	199	(3,099)
Deferred tax: (see note 22)		
Origination and reversal of temporary differences	5,518	2,150
Adjustments in respect of prior years	(243)	(108)
Total deferred tax	5,275	2,042
Tax per profit and loss account	5,474	(1,057)
Other comprehensive income items		
Deferred tax current year charge/(credit)	(36)	6
	5,438	(1,051)

Corporation tax is calculated at 19% (2020: 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 loss in the profit and loss account as follows:

	£'000	£'000
Loss before tax	(6,022)	(17,093)
Tax at the UK corporation tax rate of 19% (2020: 19%)	(1,144)	(3,248)
Tax effect of expenses that are not deductible in determining taxable profit	488	547
Tax effect of income not taxable in determining taxable profit	(75)	(3)
Tax effect of rate changes	5,324	1,725
Effects of group relief	926	-
Adjustment in respect of prior years	(45)	(78)
Tax charge/(credit) for the year	5,474	(1,057)

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. This change has been enacted at the balance sheet date but the corporation tax rate used for the year ended 31 August 2021 is 19%. The tax rate used for deferred tax calculations is 25%.

12. Tax (continued)

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 2021 £'000	Period ended 31 August 2020 £'000
Pension – defined benefit	(36)	6

	£'000	£'000
Deferred tax liabilities		
Provision at start of year	16,700	14,652
Adjustment in respect of prior years and changes in tax rate	(243)	(108)
Deferred tax charge to profit and loss for the period	5,518	2,151
Deferred tax charge in OCI for the period	(36)	6
Provision at end of year	21,939	16,700

Deferred tax (assets)/liabilities	£'000	£'000
Fixed assets	22,028	16,280
Loan Relationships	(1,282)	(353)
Rolled over gains	415	316
Retirement benefits	282	80
Intangibles	496	377
Provision at end of year	21,939	16,700

13. Intangible assets

	Software costs £'000	Assets in the course of construction £'000	Total £'000
Cost			
At 1 September 2020	7,023	-	7,023
Additions	597	39	636
Disposals	(1,036)	-	(1,036)
At 31 August 2021	6,584	39	6,623
Amortisation			
At 1 September 2020	3,807	-	3,807
Charge for the year	1,062	-	1,062
Disposals	(1,036)	-	(1,036)
At 31 August 2021	3,833	-	3,833
Carrying amount			
At 31 August 2021	2,751	39	2,790
At 31 August 2020	3,216	-	3,216

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

14. Right of use assets

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 September 2020	2,198	136	693	3,027
Additions	-	222	97	319
Disposals	(38)	-	(100)	(138)
At 31 August 2021	2,160	358	690	3,208
Accumulated depreciation and impairment				
At 1 September 2020	182	48	205	435
Charge for the year	162	54	135	351
Elimination on disposals	(38)	-	(73)	(111)
At 31 August 2021	307	102	267	675
Carrying amount				
At 31 August 2021	1,853	256	423	2,533
At 31 August 2020	2,016	88	488	2,592

Right-of-use assets

	2021 £'000	2020 £'000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	351	353
Interest expense on lease liabilities	90	95

At 31 August 2021 the Company is committed to £nil for short-term leases (2020: £nil).

All lease payments are fixed. The company does not have any leases that have variable payments. Lease payments totalled £396k for the year (2020: £439k).

15. 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 2020	157,185	14,613	138	1,799	173,735
Additions	3,104	2,116	21	682	5,923
Transfers between classes	29	9	-	(38)	-
Disposals	-	(2,801)	-	(75)	(2,876)
At 31 August 2021	160,318	13,937	159	2,368	176,782
Accumulated depreciation					
At 1 September 2020	5,387	6,651	108	-	12,146
Charge for the period	742	2,463	11	-	3,216
Elimination on disposals	-	(2,801)	-	-	(2,801)
At 31 August 2021	6,129	6,313	119	-	12,561
Carrying amount					
At 31 August 2021	154,189	7,624	40	2,368	164,221
At 31 August 2020	151,798	7,962	30	1,799	161,589

All fixed assets are initially recorded at cost.

Included within the carrying amount of land and buildings is a carrying amount of £133,507,721 (2020: £130,895,323) in relation to freehold land and buildings, £818,787 (2020: £884,700) in relation to short-term leasehold land and buildings and £19,861,748 (2020: £20,017,610) in relation to long-term leasehold land and buildings.

Notes to the financial statements
For the year ended 31 August 2021

16. Fixed asset investments

	Shares in Group undertakings £'000	Amounts owed by Group undertakings *Restated £'000	31 August 2020 *Restated £'000
As at 1 September 2020 (as reported)	21	-	21
Amounts reclassified	-	154,061	154,081
As at 1 September 2020 (restated)	21	154,061	154,081
Movement on amounts owed by Group undertakings	-	(16,747)	16,747)
As at 31 August 2021	21	137,314	137,335

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

*In previous years intercompany balances have all been treated as current assets due to the balances being repayable on demand. During the year Management have re-assessed the classification of amounts owed by fellow subsidiaries of Aldgate Education Topco Ltd, the group. Through this process Management have determined that such amounts should have always been classified as fixed assets given there is no intention for these balances to be repaid in the short term and they are held for ongoing use in the business. As such this error has been corrected and the comparative has been restated resulting in a reclassification of £154,061k from current assets to fixed assets

At 31 August 2021 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	Proportion of shares held%	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, PGL Travel PTY Ltd, PGL Property PTY Ltd and PGL Camps PTY Ltd's registered office is 72 Market Street, South Melbourne, VIC 3205.

16. Fixed asset investments (continued)

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 26).

17. Stocks

	31 August 2021 £'000	31 August 2020 £'000
Raw materials and consumables	349	427
Finished goods	279	267
	628	694

18. Debtors

	31 August 2021 £'000	31 August 2020 Restated* £'000
Amounts falling due within one year:		
Amounts receivable for the sale of goods and services	129	1,904
Amounts owed by fellow subsidiaries of Aldgate Education Midco 2 Ltd	-	-
Other debtors	1,795	-
Prepayments and accrued income	1,288	1,147
	3,212	3,051

*See note 16 for detail on the restatement of the prior period balance.

Amounts owed by fellow subsidiaries of Aldgate Education Midco 2 Ltd are repayable on demand, unsecured and interest-free.

19. Creditors

	31 August 2021 £'000	31 August 2020 £'000
Amounts falling due within one year		
Trade payables	3,278	412
Amounts owed to group undertakings (note 21)	61,984	54,815
Corporation Tax	1,784	1,585
Other taxation and social security	3,036	1,820
Other payables	1,592	1,424
Accruals and deferred income	16,064	30,408
Ground rent lease funding with LXI Reit PLC	756	428
Ground rent lease funding with SGSS^1 & SGSS^2	7,694	4,551
Ground rent lease funding with BOB & WGTC	4,843	2,771
Lease liability	569	345

PGL Travel Limited

Notes to the financial statements
For the year ended 31 August 2021

19. Creditors (Continued)

	31 August 2021 £'000	31 August 2020 £'000
Amounts falling due after more than one year		
Deferred income	254	613
Ground rent lease funding with LXI Reit PLC	7,439	7,559
Ground rent lease funding with SGSS^1 & SGSS^2	98,224	98,942
Ground rent lease funding with BOB & WGTC	42,496	43,028
Lease liability	2,036	2,273
	150,449	152,415

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

The company continued to hold £8.2m (2020: £8.0m) of secured ground rent lease funding with LXi Reit PLC charged at an interest rate of 5.28% (2020: 5.28%) which is subject to an annual inflationary increase.

The company continued to hold £105.9m (2020: £103.5m) secured ground rent lease funding with SGSS^1 & SGSS^2 charged at an interest rate of 2.93% (2020: 2.93%) of which is subject to an annual inflationary increase.

The company continued to hold £47.3m (2020: £45.8m) of secured ground rent lease funding with BOB & WGTC charged at an interest rate of 4.27% (2020: 4.27%) which is subject to an annual inflationary increase.

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.

20. Amounts owed to group undertakings

	31 August 2021 £'000	31 August 2020 £'000
Unsecured borrowing at amortised cost		
Amounts owed to group undertakings	61,984	54,815

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

The company had three principal group loans at 31 August 2021 and as at 31 August 2020:

(a) an unsecured loan of £58,856,002 (2020: £51,604,250) from the company's parent which is repayable on demand and carries no interest.

(b) an unsecured loan of £910,578 (2020: £959,458) from fellow subsidiaries which are repayable on demand and carry no interest.

(c) an unsecured loan of £2,217,424 (2020: £2,251,123) from a fellow group company which is repayable on demand and carries no interest.

21. 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.

Deferred tax (assets)/liabilities	Tangible fixed assets and rolled over gains £'000	Retirement benefits £'000	Loan relationships £'000	Intangibles £'000	Total £'000
At 1 April 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
Charge to profit or loss	5,983	237	(820)	118	5,518
Adjustments in respect of prior years	(134)	-	(109)	-	(243)
Charge to other comprehensive income	-	(36)	-	-	(36)
At 31 August 2021	22,443	282	(1,282)	496	21,939

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

22. Share capital and reserves

	31 August 2021 £'000	31 August 2020 £'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.

23. 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 £25,000 (2020: £36,000); £2,046 is included in payables, in respect of unpaid contributions (2020: £2,487).

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 2021 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.

23. Retirement benefit schemes (continued)

The principal assumptions at the balance sheet date were:

	Valuation at		
	31 August 2021	31 August 2020	31 March 2019
	%	%	%
Discount rate	1.7	1.6	1.8
Expected return on scheme assets	2.5	2.5	2.5
Expected rate of salary increases	4.7	4.2	4.4
Future pension increases	2.5	2.5	2.5
Inflation	3.7	3.2	3.5

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 2021 imply the following life expectancies:

	31 Aug 2021	31 Aug 2020
Male now aged 45, life expectancy from age 65	22.8 years	22.8 years
Male now aged 65	21.8 years	21.8 years
Female now aged 45, life expectancy from age 65	25.3 years	25.3 years
Female now aged 65	24.1 years	24.1 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	9.0%	775
Increase inflation rate by 0.5% pa	1%	67
Add 1 year to life expectancies	3.0%	254

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.

23. Retirement benefit schemes (continued)

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

	31 August 2021 £'000	31 August 2020 £'000
Interest cost	142	158
Expected return on scheme assets	(168)	(184)
Current service cost	20	25
Total recognised in the profit and loss account	(6)	(1)

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

	31 August 2021 £'000	31 August 2020 £'000
Actuarial (gains) arising from changes in demographic assumptions	(51)	(375)
Actuarial (gains)/losses arising from changes in financial assumptions	(87)	190
Actuarial loss on assets	148	80
Total recognised in the statement of comprehensive income	10	(105)

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:

	2021 £'000	2020 £'000	2019 £'000
Present value of defined benefit obligations	(8,485)	(8,804)	(9,009)
Fair value of scheme assets	10,138	10,436	10,502
Funded status	1,653	1,632	1,493
Net asset recognised in the balance sheet	1,653	1,632	1,493

23. Retirement benefit schemes (continued)

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

	2021 £'000	2020 £'000
At beginning of year	8,804	9,009
Service cost	20	25
Employee contributions	2	3
Interest cost	142	158
Actuarial (gains)	(138)	(185)
Benefits paid	(345)	(206)
At end of year	8,485	8,804

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

	2021 £'000	2020 £'000
At beginning of year	10,436	10,502
Employee contributions	2	3
Expected return on scheme assets	168	184
Actuarial (loss)	(148)	(80)
Contributions from the sponsoring companies	25	33
Benefits paid	(345)	(206)
At end of year	10,138	10,436

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

	Fair value of assets		
	2021 £'000	2020 £'000	2019 £'000
Equities	-	-	2,366
Bonds	10,050	10,337	6,834
Property	-	-	160
Other	88	99	1,142
Overall for scheme	10,138	10,436	10,502

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.

24. 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.

25. Directors' remuneration

A G Jones, C R Hayward, R Sanders, P Sladen, S Parkin, N Currie, A Clegg and A Bracey were employed for the full year and L T Creighton for part of the year, by Aldgate Education Bidco Ltd, and their remuneration is disclosed in the financial statements of Aldgate Education Bidco Ltd,

N Currie, A Clegg and A Bracey have resigned since the year end

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 Aldgate Education Bidco Ltd.

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.

26. 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.

27. Capital commitments

At 31 August 2021 the company had contractual commitments for development of land and buildings of £nil (2020: £ nil).