Mariner International Travel (UK) Limited

Reports of the Directors and financial statements
for the year ended 30 September 2022
Company number 01239190

The Directors present their Strategic and Directors' Reports on and the audited financial statements of Mariner International Travel (UK) Limited (the "Company") for the year ended 30 September 2022. The Company is a wholly owned subsidiary within the Travelopia Group of companies ("the Group").

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of a tour operator, promoting and providing sailing holidays.

Review of the business

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

	Year ended 30 September 2022	Year ended 30 September (Restated) 2021
	£'000	£'000
Revenue	**8,182**	2,050
Profit in ordinary activities before taxation	**629**	537
Net liabilities	**(18,473)**	(19,102)

No dividends were paid during the year (2021: £nil) and the Directors can not recommend the payment of a final dividend.

The Company's gross profit was £2,265,000 (2021: £593,000). The increase in revenue of £6,132,000 is a result of the recovery since the global Coronavirus pandemic which, in previous financial year, had greatly reduced customers' ability and willingness to travel.

Funding, liquidity and going concern

At 30 September 2022, the company has net liabilities of £18,473,000 (2021: £19,102,000) and net current liabilities of 19,247,000 (2021: £19,858,000).

The recovery in travel in FY22 has had a positive impact on the Company and the Groups ability to deliver their core products in the financial year.

As part of their assessment of going concern, the Directors have considered the Company's liquidity position and funding requirements to determine the appropriateness of preparing the financial statements on a going concern basis for at least 12 months from the approval of these financial statements.

The Company is currently reliant upon the non-repayment of its intercompany payables together with access to additional cash from the Group's cash pool facilities in order to settle liabilities as they become due. The Company's cash balances are pooled together with other cash balances in a bank account in Travelopia Central Operations Limited, a central Group treasury company, under a cash pooling structure that simplifies the Group's cash facilities. At 30 September 2022, the Company's cash balances totalling £1,639,000 (2021: £1,950,000) were held in this cash pool. The Directors have satisfied themselves that the Company has immediate and unrestricted access to its pooled cash and that there are no plausible scenarios which would cause this to change. The Directors have sought to satisfy themselves that there is no expectation that the Company will be required to settle its amounts due to Group undertakings or, if this were not the case, that additional funding would be provided to allow the settlement of these balances. Further, the non-repayment of these intercompany payable balances is only sufficient for the financial statements to be prepared on a going concern basis if the Travelopia Group itself is a going concern. As such, the Directors have also made enquiries to the Directors of Tim Midco Limited (being the parent company of the Travelopia Group's 'Banking Group', or 'Group') to obtain an understanding of the actual and forecast liquidity position and funding requirements of the Group over the assessment period.

STRATEGIC REPORT (continued)

Funding, liquidity and going concern (continued)

Prior to the commencement of the financial year, the Group agreed amended terms of its banking facilities with the Senior Lenders, which extended the repayment dates of the £100.0m term loan and £80.0m revolving credit facility to 15 December 2025 and 15 September 2025 respectively. Further, the Net Debt to Adjusted EBITDA ratio covenant ('net debt covenant') testing holiday was extended for a period of two years, such that the next covenant test is now 30 September 2023 and quarterly thereafter. The minimum liquidity covenant that was put in place last year has been extended in the interim period and has been satisfied throughout the financial year and up to the date of signing these financial statements. As part of the agreement with its Senior Lenders, additional shareholder borrowing was received by the Group together with a commitment of further shareholder funding, should it be necessary.

Throughout the financial year, the Directors of both the Company and the Group have continued to assess the Company and Group's respective current and future cash levels and funding requirements. To do this, the Company and Group prepare 13-week rolling cashflow forecasts, together with monthly forecasts for the remainder of the financial year ending 30 September 2023 ('FY23 forecast'), which, together with the Strategic Plan for FY24 (being the financial year ending 30 September 2024), enable good short term and longer term liquidity outlook. The latest FY23 forecast and FY24 Strategic Plan for the Company and the Group form the basis of the Directors' going concern assessment, with the term used in the assessment period being at least one year from the date of signing these financial statements.

The FY23 forecast and FY24 Strategic Plan used in their assessment assumes a sustained recovery in travel over the remainder of the financial year and beyond and there are no indications which would indicate the failure of the net debt covenant test commencing on 30 September 2023 or quarterly thereafter during the assessment period. At the date of signing these financial statements, the Directors of Tim Midco Limited had not drawn on the additional committed shareholder funding. Further, the most recent FY23 forecast and FY24 Strategic Plan indicates that the committed funding available to the Group should be sufficient to ensure that the Group has sufficiency liquidity for the current financial year and remainder of the going concern assessment period under all reasonably plausible scenarios.

The Directors note that in view of the existing intercompany payable balances, the Directors have obtained a letter of support from the Directors of Travelopia Holding Limited to confirm that they commit to provide sufficient liquidity, should it be necessary, to settle all financial obligations if called upon to do so. They have also satisfied themselves that the Directors of Travelopia Holding Limited have an expectation that the Group will have sufficient funds to be a going concern under all reasonably plausible scenarios. As such, the Directors of the Company have concluded it is appropriate to prepare these financial statements on a going concern basis.

Post balance sheet events and future developments

There have been no post balance sheet events that have had a material impact on the results of the Company for the financial year ended 30 September 2022.

STRATEGIC REPORT (continued)

Principal risks and uncertainties
Successful management of existing and emerging risks is critical to the long-term success of our Group and to the achievement of our strategic objectives. Some levels of business risk must be accepted to seize market opportunities and achieve these objectives. Risk management is therefore an integral component of the Company's governance and oversight.

There is the potential for the Covid-19 Pandemic to impact operations in the future. The Directors continue to monitor developments closely so that swift action can be taken to update policies and procedures in response to any future changes.

Set against the evolving macroeconomic global environment the principal risks and uncertainties faced by the Company are:

- **Health and Safety.** Ensuring the health and safety of guests and employees is of paramount importance. The Company is committed to ensuring the health and safety of all of its guests and employees, with health and safety being given the highest profile throughout the organisation and instilled within its culture. The Company strives to mitigate this where it can with policies and procedures in place to reduce incidents, whether they are accidents or Covid transmission. Strict policies and procedures also exist to manage and where possible, mitigate health and safety risks that its customers may be exposed to while on holiday with the Company. Health and safety incidents could result in reputational damage and financial consequences for the Company and/or one of its brands.
- **Destination disruption.** Tour operators are exposed to the inherent risk of domestic and international incidents affecting operations at those destinations. This includes not only the global travel restrictions caused by Covid-19, but also disruption caused by outbreaks of other diseases, war, political instability and terrorism. Weather events that are exacerbated by climate change may increase the level of disruption in destinations. All of these events, as we saw at the onset of the global pandemic, can cause significant operational disruption and costs to our business. We follow the UK Government's Foreign Office advice in our source markets to minimise the exposure of our customers.
- **Market risk, including customer demand.** The Company relies heavily on the demand from its UK customer base to take experiential and tailor-made holidays. It monitors and assesses its customers' appetite for travel and for new post-pandemic trends in the face of increased costs of living. The Company constantly monitor prices, costs and booking levels to try and maximise customer demand and financial return.
- **Fleet delivery risk.** Subsidiary Companies have signed contracts for significant levels of yacht purchases. Whilst the Board expects these purchases to drive profits in the Company, it also gives rise to financial risk (such as lost margins) in the event that delays occur to their scheduled delivery dates or they are not delivered to the contractually agreed standard. The Company monitors and oversees the construction and purchase of these yachts against their planned timetable and is actively engaged with suppliers in respect of delivery dates.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Cyber security.** We are responsible for protecting the confidentiality, integrity and availability of the data we have for our guests, employees and suppliers. Failure to ensure we have the appropriate level of information security controls increases the risk that an information security breach is not prevented, detected or adequately remediated. This could result in reputational damage, remediation costs and financial penalties for a breach of data protection legislation. We continuously enhance our information security posture to mitigate the risk.
- **Climate change.** The Directors continue to monitor global climate change developments, with Corporate Sustainability representation at Group level. In the forthcoming year, the Company will be reporting internally on its carbon emissions on a quarterly basis. The risks from climate change to the Company include changing consumer preferences, increased government regulations and operational costs resulting in reduced passenger volume and/or profit margins. Currently, the Directors do not consider there to be any significant risk to operations or asset valuations arising from climate change in the foreseeable future, but will continue to monitor this.
- **Legal and regulatory compliance.** The Company operates across a range of geographies, which exposes us to a range of legal, tax and other regulatory laws, which must be complied with. Failure to comply may result in fines or sanctions from regulatory bodies, such as the Civil Aviation Authority in the UK, which require us to comply with their regulations. Failure to do so could result in the removal of the licence.
- **Liquidity and cashflow risk.** The Company's liquidity risk is intertwined with that of the Group, which is dependent upon its £100m bank loan, £80.0m revolving credit facility and cash reserves. In September 2021, the Directors agreed an extension of the Net Debt covenant testing holiday until 30 September 2023, whilst obtaining additional financial support from its ultimate shareholder in October 2021 in the form of a £20.0m loan to the Group and a commitment for an additional funding amount, should it be necessary. With these actions, together with fewer travel restrictions in the future, the Company and Group Directors are confident the Group (and hence the Company) will have sufficient liquidity for at least the next twelve months from the date of signing these financial statements.
- **Credit risk.** The Company and Group have significant cash and cash equivalent balances throughout the year and the majority of this is held with one global banking group. Credit risk in this respect refers to the risk that this banking group were to default on its contractual obligations resulting in financial loss to the wider Group and Company. The Group therefore uses a highly reputable and financially strong banking group with which to deposit its material cash balances. The Company sells its tours directly to the end customers, credit risk is considered to be limited as our end customers are required to pay in full ahead of departure.
- **Foreign currency exchange risk.** The company operates primarily in the UK and as such has limited exposure to operational foreign currency exchange risk. The company does hold historic intercompany balances denominated in foreign currencies and are exposed to exchange rate movements on these. The main currencies the company is exposed to are Euro and Turkish Lira.

Approval
This report was approved and signed on behalf of the Board on 27 April 2023.

Jaune Evans

J L Evans
Director

Company Number 01239190

DIRECTORS' REPORT

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

P V Y Cochran
S B M Cross
C A Norton
J L Evans (appointed 19 May 2022)

Directors' insurance
Throughout the financial year until the date of approval of these financial statements, Travelopia Holdings Limited, another subsidiary company within the Travelopia Group of companies, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third-party indemnity provision.

Statement as to disclosure of information to auditors
The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the annual general meeting.

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

Statement of Directors' responsibilities
The Directors are responsible for preparing the Reports of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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; 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.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval

This report was approved and signed on behalf of the Board on 27 April 2023.

J L Evans
Director

Company number 01239190

Opinion

In our opinion the financial statements of Mariner International Travel (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit 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 statement of total comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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 strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the strategic 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.

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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 included the UK Companies Act, pensions legislation and tax legislation; and
- do not have direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid material penalty. These included the company's operating licences, environmental regulations, UK Bribery Act, GDPR, employment law and health and safety regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT and industry specialists 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 procedures performed to address them are described below:

A significant risk has been identified in relation to the accuracy and completeness of the transfer of revenue from the reservation system to the accounting system as the manual transfer of data is inherently prone to fraud or error. A significant risk has been identified that manual journals are fraudulent or made in error (other than IFRS 15 adjustments). We have reviewed the design and implementation of relevant controls and performed walkthrough procedures, performed substantive procedures over the data extracted from the reservation system including tracing samples selected to the underlying support to verify the accuracy of the data, recalculated revenue balances using bespoke analytics and performed additional audit procedures on any manual adjustments identified.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
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 and in-house 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 and where available reviewing correspondence with the Civil Aviation Authority and HMRC.

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.

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.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
27 April 2023

Mariner International Travel (UK) Limited
Statement of total comprehensive income for the year ended 30 September 2022

	Note	**Year ended 30 September 2022**	Year ended 30 September 2021 (Restated)
		£'000	£'000
Revenue	6	**8,182**	2,050
Cost of sales		**(5,917)**	(1,457)
Gross profit		**2,265**	593
Distribution costs	8	**(1,400)**	(868)
Administrative expenses		**(236)**	812
Profit on ordinary activities before taxation	7	**629**	537
Tax expense	9	**-**	-
Profit or the financial year attributable to owners of the parent		**629**	537
Total comprehensive income or the year attributable to owners of the parent		**629**	537

The notes on pages 13 to 22 form part of these financial statements.
All activities in the current year and prior year are derived from continuing operations.
Details of the restatement to prior years revenues and cost of sales can be found in Note 2.

	Note	30 September 2022 £'000	30 September 2021 £'000 (Restated)
Non-current assets			
Trade and other receivables	12	**774**	770
		774	770
Current assets			
Trade and other receivables	12	**721**	634
Demandable intercompany treasury deposits	13	**1,639**	1,950
		2,360	2,584
Total assets		**3,134**	3,354
Current liabilities			
Trade and other payables	14	**(21,607)**	(22,442)
Non-current liabilities			
Trade and other payables	14	-	(14)
Total liabilities		**(21,607)**	(22,456)
Net liabilities		**(18,473)**	(19,102)
Equity			
Called up share capital	15	**26,666**	26,666
Profit and loss account	16	**(45,139)**	(45,768)
Total equity attributable to owners of the parent		**(18,473)**	(19,102)

The notes on pages 13 to 22 form part of these financial statements.

The financial statements on pages 10 to 22 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Jaime Evans

J L Evans
Director

Company number 01239190 Dated: 27 April 2023

Mariner International Travel (UK) Limited
Statement of changes in equity for the year ended 30 September 2022

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2020	26,666	(46,305)	(19,639)
Total comprehensive income for the year	-	537	537
At 30 September 2021	**26,666**	**(45,768)**	**(19,102)**
Total comprehensive income for the year	-	629	629
At 30 September 2022	**26,666**	**(45,139)**	**(18,473)**

1. General information

The Company is a private company, limited by shares incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales. The address of its registered office is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. The Company's registered number is 01239190.

The principal activity of the Company continues to be that of a tour operator selling holiday-related services to customers in the UK.

2. Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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

Reclassification of cash balances held by the Group's cash pool header company

The Company's cash is held in the bank account of a fellow Group company, Travelopia Central Operations Limited, which acts as the cash pool header company to simplify the Group's treasury and banking operations. The cash balances held in the Company's Sterling, US Dollar and Euro accounts of HSBC Bank plc are swept overnight and in the ordinary course of business, are available to the Company to settle all obligations as they arise. In the current financial year, the Directors have noted that there are scenarios whereby not all its cash would be always available to the Company and as such, does not meet the IAS 7 definition of cash equivalents. Accordingly, the Company's cash balances held within the cash pools have been reclassified as demandable intercompany treasury deposits, as the Directors consider this to be a more faithful classification of its nature. As these conditions existed last year, the prior year comparative balance of £1,950,000 has also been reclassified.

Prior year restatement – Greek revenue and COS overstated in income statement

The Company acts as an agent of the Group's Greek subsidiary company for Greece bookings. IFRS 15 requires the accounting for an agent to record commission revenues on a net basis. Cost of sales and revenues were incorrectly grossed up in the previous financial year, such that turnover and cost of sales was overstated by £199,000 for the financial year ended 30 September 2021. In accordance with IAS 8, both of these errors have been corrected retrospectively.

30 September 2021	As previously reported £'000	Prior year adjustment £'000	Restated £'000
Income statement (extract)			
Turnover	2,249	(199)	2,050
Cost of sales	(1,656)	199	(1,457)

There was no impact from this error on the result for the financial year ended 30 September 2021 or net assets.

Going concern

At 30 September 2022, the company has net liabilities of £18,473,000 (2021: £19,102,000) and net current liabilities of 19,247,000 (2021: £19,858,000).

As part of their assessment of going concern, the Directors have considered the Company's liquidity position and funding requirements to determine the appropriateness of preparing the financial statements on a going concern basis for at least 12 months from the approval of these financial statements.

2. Basis of preparation (continued)

Going concern (continued)

The Company is currently reliant upon the non-repayment of its intercompany payables together with access to additional cash from the Group's cash pool facilities in order to settle liabilities as they become due. The Company's cash balances are pooled together with other cash balances in a bank account in Travelopia Central Operations Limited, a central Group treasury company, under a cash pooling structure that simplifies the Group's cash facilities. At 30 September 2022, the Company's cash balances totalling £1,639,000 (2021: £1,950,000) were held in this cash pool. The Directors have satisfied themselves that the Company has immediate and unrestricted access to its pooled cash and that there are no plausible scenarios which would cause this to change. The Directors have sought to satisfy themselves that there is no expectation that the Company will be required to settle its amounts due to Group undertakings or, if this were not the case, that additional funding would be provided to allow the settlement of these balances. Further, the non-repayment of these intercompany payable balances is only sufficient for the financial statements to be prepared on a going concern basis if the Travelopia Group itself is a going concern. As such, the Directors have also made enquiries to the Directors of Tim Midco Limited (being the parent company of the Travelopia Group's 'Banking Group', or 'Group') to obtain an understanding of the actual and forecast liquidity position and funding requirements of the Group over the assessment period.

Prior to the commencement of the financial year, the Group agreed amended terms of its banking facilities with the Senior Lenders, which extended the repayment dates of the £100.0m term loan and £80.0m revolving credit facility to 15 December 2025 and 15 September 2025 respectively. Further, the Net Debt to Adjusted EBITDA ratio covenant ('net debt covenant') testing holiday was extended for a period of two years, such that the next covenant test is now 30 September 2023 and quarterly thereafter. The minimum liquidity covenant that was put in place last year has been extended in the interim period and has been satisfied throughout the financial year and up to the date of signing these financial statements. As part of the agreement with its Senior Lenders, additional shareholder borrowing was received by the Group together with a commitment of further shareholder funding, should it be necessary.

Throughout the financial year, the Directors of both the Company and the Group have continued to assess the Company and Group's respective current and future cash levels and funding requirements. To do this, the Company and Group prepare 13-week rolling cashflow forecasts, together with monthly forecasts for the remainder of the financial year ending 30 September 2023 ('FY23 forecast'), which, together with the Strategic Plan for FY24 (being the financial year ending 30 September 2024), enable good short term and longer term liquidity outlook. The latest FY23 forecast and FY24 Strategic Plan for the Company and the Group form the basis of the Directors' going concern assessment, with the term used in the assessment period being at least one year from the date of signing these financial statements.

The FY23 forecast and FY24 Strategic Plan used in their assessment assumes a sustained recovery in travel over the remainder of the financial year and beyond and there are no indications which would indicate the failure of the net debt covenant test commencing on 30 September 2023 or quarterly thereafter during the assessment period. At the date of signing these financial statements, the Directors of Tim Midco Limited had not drawn on the additional committed shareholder funding. Further, the most recent FY23 forecast and FY24 Strategic Plan indicates that the committed funding available to the Group should be sufficient to ensure that the Group has sufficiency liquidity for the current financial year and remainder of the going concern assessment period under all reasonably plausible scenarios.

The Directors note that in view of the existing intercompany payable balances, the Directors have obtained a letter of support from the Directors of Travelopia Holding Limited to confirm that they commit to provide sufficient liquidity, should it be necessary, to settle all financial obligations if called upon to do so. They have also satisfied themselves that the Directors of Travelopia Holding Limited have an expectation that the Group will have sufficient funds to be a going concern under all reasonably plausible scenarios. As such, the Directors of the Company have concluded it is appropriate to prepare these financial statements on a going concern basis.

2. Basis of preparation (continued)

FRS 101

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

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

Functional and presentational currency

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

3. Summary of significant accounting policies

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

New standards, amendments and interpretations

The Phase 2 amendments to IFRS 3 – Definition of a business and to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform – have not had any impact on the Company's results in the current or previous financial year.

Revenue

The Company recognises revenue from the sale of travel packages. Revenue is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer with the exception of Greek bookings where the Company is acting as an agent of the Group's Greek subsidiary company for Greece bookings.

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

The Company has adopted the exemption not to disclose the aggregate amount of the transaction price allocated to partially unsatisfied performance obligations as the contracts have an original expected duration of less than one year.

3. Summary of significant accounting policies (continued)

Revenues (continued)

Contract liabilities
If a customer pays consideration before the Company provides services to the customer, a contract liability is recognised when the payment is made. The Company considers client monies received in advance at the balance sheet date relating to holidays departing after the year end to be contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. They are presented separately from deferred income as they include amounts that may be repaid to the customer in the event of contract cancellation.

Contract liabilities include credit notes arising from a cancelled travel package where the customer has accepted these by the balance sheet date. Where the customer has requested a refund of monies prior to the balance sheet date, the amount included in contract liabilities that is to be repaid is de-recognised and instead recognised as an other creditor.

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

Investments in subsidiaries
Investments are recognised at cost less accumulated impairment losses.

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

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets subsequently measured at amortised cost, using the 'general approach' permitted under IFRS 9. The loss allowance is measured at an amount equal to the 12-month expected credit loss amount, unless there has been a significant increase in that asset's credit risk since initial recognition, in which case an amount equal to the lifetime expected credit loss is recognised.

Demandable intercompany treasury deposits
The cash balances held in the Company's Sterling, US Dollar and Euro accounts of HSBC Bank plc are swept overnight into the bank account of a fellow Group company, Travelopia Central Operations Limited, which acts as the cash pool header company to simplify the Group's treasury and banking operations. There are scenarios whereby not all its cash would be always available to the Company, the Company's cash balances held within the cash pools are classified as demandable intercompany treasury deposits.

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

3. Summary of significant accounting policies (continued)

Payments received on account
Payments received on account at the balance sheet date, relating to holidays commencing and flights departing after the year end, are included within trade and other payables. If the date of departure is in one year or less they are classified as current liabilities and if not, they are presented as non-current liabilities. Included within the payments received on account balance is amounts received from customers where the holiday had been cancelled and a refund agreed prior to year-end, however this has not been separated out from the payments received on account balance due to the total agreed refunds being immaterial.

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

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

Government grants
Government grants are recognised in the income statements as other income on a systematic basis over the period in which the related costs towards which they are intended to compensate are recognised as expenses, providing that the company has complied with all conditions attached and that the grant has either been received, or is receivable.

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

Called up share capital
Ordinary shares are classified as equity.

4. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of Travelopia Group Holdings Limited, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of Tim Midco Limited. Details for obtaining the Group financial statements of Tim Midco Limited can be found in Note 17. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS 7 'Financial instruments'	All paragraphs	All disclosure requirements.
IFRS 13 'Fair value measurement'	91 to 99	All disclosure requirements in respect of the valuation techniques and inputs used for the fair value measurement of assets and liabilities.
IAS 1 'Presentation of financial statements'	38	Paragraph 79(a)(iv) of IAS 1; and Paragraph 118(e) of IAS 38 'Intangible assets'.
	38 A to D	Certain additional comparative information.
	10(d) and 111	A statement of cash flows and related information.
	10(f) and 40 A to D	A balance sheet as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group.

4. Reduced disclosures permitted by FRS 101 (continued)

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS 15 'Revenue from contracts with customers'	The requirements of the second sentence of paragraph 110 and paragraphs 113(a) 114, 115, 118, 119(a) to (c), 120 to 127 and 129	Disaggregation of revenue, explanations of significant changes in contract balances, timing of satisfaction of performance obligations, unsatisfied performance obligations, significant judgements in the application of the standard.

5. Critical judgements and key sources of estimation uncertainty

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

The Directors do not consider there to be areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities, and total comprehensive income for the year.

6. Revenue

All revenue generated in the current and previous financial years arose in the United Kingdom.

The Company is mainly principal in its revenue arrangements because it typically controls the services before transferring them to the customer and it is also an agent of the Group's Greek subsidiary company for Greece bookings.

	Year ended 30 September 2022	Year ended 30 September 2021 (Restated)
	£'000	£'000
Tour operator revenue	**7,596**	1,813
Agent revenue	**586**	237
	8,182	2,050

7. Profit on ordinary activities before taxation

	Year ended 30 September 2022	Year ended 30 September 2021
	£'000	£'000
Profit on ordinary activities before taxation is stated after (crediting)/charging:		
Foreign exchange gains	**(42)**	**(950)**

Auditor's remuneration was as follows:	**2022**	2021
	£'000	£'000
Fees for the audit of the Company	**55**	-
Non-audit fees – regulatory reporting	**20**	-
	75	-

In the financial year ended 30 September 2021, the audit fees have been incurred by a fellow Travelopia Group company and an amount was included within the management charge for this service. It was not possible to identify the portion of the management charge that related to audit fees for that year.

8. Employees and Directors

Employee costs for the Company during the year were:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Wages and salaries	793	525
Social security costs	75	38
Other pension costs	21	13
	889	576

The average monthly number of persons (including Directors) employed by the Company during the year was:

	Year ended 30 September 2022 Number	Year ended 30 September 2021 Number
Marketing and Distribution	19	15

Directors' remuneration

The Company's Directors are directors of a number of fellow subsidiary companies and their remuneration was paid by another Group company, which makes no recharge to the Company (2021: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

9. Tax expense

(I) Analysis of tax expense in the year

There is no tax charge in either the current or the prior year.

(ii) Factors affecting the tax expense in the year

There is no tax expense or credit for the year ended 30 September 2022 (2021: £nil). The standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are shown in the table below:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Profit on ordinary activities before taxation	629	537
Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19.0% (2021: 19.0%)	120	102
Effects of:		
- Expenses not deductible for tax purposes	1	1
- Utilisation of brought forward losses	(121)	(103)
Total tax expense in the statement of total comprehensive income	-	-

(iii) Factors affecting the future tax charge

In March 2021, the UK Chancellor of the Exchequer announced that he intends to increase the main rate of UK corporation tax to 25% from 1 April 2023. As the proposed change had been substantively enacted at the balance sheet date, deferred taxes in these financial statements have been re-measured where the related asset or liability is expected to be realised after this date. The corporation tax rate for the Company and its UK subsidiaries will also change to 25% from this date onwards.

10. Investments in subsidiaries

	Investments in subsidiary undertakings £'000
Cost:	
At 1 October 2021 and 30 September 2022	12
Impairment:	
At 1 October 2021 and 30 September 2022	12
Net book value:	
At 30 September 2021 and 30 September 2022	-

List of investments in subsidiaries at 30 September 2022:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
Sunsail Hellas Mepe (dormant)	Greece	Apollonos 12, P.Faliro 17561, Athens.	€30.00 Ordinary shares	100.00	100.00

11. Deferred tax assets

A deferred tax asset has not been recognised, the amount in respect of trading losses is £4,777,000 (2021: £4,935,000) and in respect of fixed asset temporary differences is £893,000 (2021: £893,000). There is insufficient evidence that the assets will be recovered. The assets would be recovered if there were suitable taxable profits in the future against which to utilise them.

There are no other unrecognised deferred tax assets or un-provided deferred tax liabilities at either 30 September 2022 or 30 September 2021.

12. Trade and other receivables

	30 September 2022		30 September 2021	
	Non-current £'000	**Current £'000**	Non-current £'000	Current £'000
Due from Group undertakings	-	**182**	-	221
Trade receivables	-	**6**	-	4
Sales tax	-	**43**	-	-
Other receivables	**774**	**145**	770	113
Prepayments and accrued income	-	**345**	-	296
	774	**721**	770	634

Amounts due from Group undertakings

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

13. Demandable intercompany treasury deposits

	2022	2021
	£'000	£'000
Cash held by the Group's cash pool header company	**1,639**	1,950
	1,639	1,950

Demandable intercompany treasury deposits of £1,639,000 (2021: £1,950,000) comprises of the Company's Sterling, US Dollar and Euro cash balances which are swept overnight into bank accounts of the Travelopia Central Operations Limited, which acts as the Group's cash pool header company.

14. Trade and other payables

	30 September 2022		30 September 2021	
	Non-current	**Current**	Non-current	Current
	£'000	**£'000**	£'000	£'000
Trade payables	-	**84**	-	42
Other payables	-	-	-	10
Due to Group undertakings	-	**18,415**	-	18,073
Payments received on account	-	**2,962**	14	4,131
Accruals and deferred income	-	**146**	-	186
	-	**21,607**	14	22,442

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

15. Called up share capital

	30 September 2022	30 September 2021
	£'000	£'000
Issued and fully paid		
533,327,956 (2021: 533,327,956) ordinary shares of £0.05 each	**26,666**	26,666

16. Reserves

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

Reserve	**Description and purpose**
Profit and loss account	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

17. Ultimate parent company and controlling party

The ultimate controlling party of the Company is KKR & Co Inc., on behalf of funds under its management. The immediate parent company is Mariner International (UK) Limited.

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

18. Post balance sheet events

There are no significant post balance sheet events at the date of signing these financial statements.