Contiki Services Limited

Directors' report and financial statements

Registered number 01552103

31 December 2021

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2021.

The directors have taken advantage of the small companies' exemption from the requirement to prepare a strategic report provided under the Companies Act 2006.

Principal activities

The principal activities of the Company continue to be the processing and controlling of tour and hotel reservations and to provide advisory and other ancillary services to fellow subsidiary undertakings.

A significant part of the group's business is with fellow group undertakings within the Contiki group. Both the level of business and the year-end financial position were satisfactory and the directors expect the level of business to increase as countries emerge from the aftermath of the Covid-19 pandemic.

Results and dividends

The profit for the year after taxation amounted to £117,061 *(2020: £415,818)*. A dividend of £nil was declared in 2021 *(2020: £nil)*.

Financial instruments

Details of the Company's financial risk management objectives and policies are included in Note 17 to the accounts.

Directors

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

B R Hall (resigned 27 January 2022)
S M Clayton
C A Treloggen

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

By order of the board

S M Clayton
Director

Wells House
15 Elmfield Road
Bromley
Kent
BR1 1LS

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

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of total comprehensive income
for the year ended 31 December 2021

	Note	**2021**	2020
		£	£
Revenue	*1,2*	**2,294,010**	3,092,184
Cost of sales		**451**	(6,575)
Gross profit		**2,294,461**	3,085,609
Other Income	*4*	**201,702**	403,251
Administrative expenses		**(2,320,186)**	(2,933,471)
Operating profit	*3,5*	**175,977**	555,389
Finance income	*6*	**12**	243
Finance expense	*6*	**(10,641)**	(15,579)
Profit before tax		**165,348**	540,053
Taxation	*7*	**(48,287)**	(124,235)
Profit for the year		**117,061**	415,818
Total comprehensive income for the year		**117,061**	415,818

All results relate to continuing operations.

The Company has no recognised other comprehensive income other than the results for the year as set out above.

The notes on pages 8 to 27 are an integral part of the financial statements.

Statement of changes in equity

for the year ended 31 December 2021

	Share capital £	Retained earnings £	Total £
At 1 January 2020	10,000	3,700,114	3,710,114
Total comprehensive income for the financial year	-	415,818	415,818
At 1 January 2021	10,000	4,115,932	4,125,932
Total comprehensive income for the financial year	-	117,061	117,061
At 31 December 2021	**10,000**	**4,232,993**	**4,242,993**

The notes on pages 8 to 27 are an integral part of these financial statements.

Statement of financial position
at 31 December 2021

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	*8*	**842,553**	1,318,305
		842,553	1,318,305
Current assets			
Inventories	*10*	**11,312**	26,804
Trade and other receivables	*11*	**4,235,729**	3,923,520
Corporation tax receivable	*11*	**34,877**	-
Cash and cash equivalents	*12*	**66,224**	264,055
		4,348,142	4,214,379
Total assets		**5,190,695**	5,532,684
Non-current liabilities			
Loans & Borrowings	*14,19*	**(77,295)**	(200,114)
Loans & Borrowings – Group	*14,19*	**(267,302)**	(382,964)
Deferred tax	*9,14*	**(9,566)**	(25,377)
		(354,163)	(608,455)
Current liabilities			
Loans & Borrowings	*13,19*	**(33,397)**	(120,706)
Loans & Borrowings – Group	*13,19*	**(175,663)**	(113,673)
Trade and other payables	*13*	**(384,479)**	(464,215)
Corporation tax payable	*13*	**-**	(99,703)
		(593,539)	(798,297)
Total liabilities		**(947,702)**	(1,406,752)
Net assets		**4,242,993**	4,125,932
Equity			
Share capital	*16*	**10,000**	10,000
Retained earnings	*16*	**4,232,993**	4,115,932
Total equity		**4,242,993**	4,125,932

The notes on pages 8 to 27 are an integral part of these financial statements.

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the board of directors on 15/09/2022 and were signed on its behalf by:

S M Clayton
Director
Registered company 01552103

Statement of cash flows
for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Total comprehensive income for the year		**117,061**	415,818
Adjustments for:			
Depreciation	*8*	**146,582**	130,064
Depreciation – ROU Asset	*8*	**226,389**	232,547
Lease Concessions	*19*	**(8,750)**	(8,870)
Finance income	*6*	**(12)**	(243)
Finance expense	*6*	**10,641**	15,579
(Gain)/ Loss on disposal of property, plant and equipment	*3*	**7,522**	-
(Gain)/ Loss on disposal of ROU Asset	*3*	**(1,039)**	-
Taxation	*7*	**48,287**	124,235
		546,681	909,130
(Increase)/decrease in amounts due from related party	*11*	**(304,225)**	(156,785)
(Increase)/decrease in trade and other receivables	*11*	**(7,984)**	(91,429)
(Increase)/decrease in inventories	*10*	**15,493**	(1,461)
Increase/(decrease) in in amounts due to related party	*13*	**(56,772)**	95,163
Increase/(decrease) in trade and other payables	*13*	**(22,964)**	(83,285)
		170,229	671,333
Tax paid		**(198,678)**	(131,108)
Interest paid	*6*	**(123)**	(1,361)
Lease Payments		**(111,799)**	(116,532)
Lease Payments – Group		**(60,000)**	(60,000)
Net cash used in operating activities		**(200,371)**	362,332
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**4,167**	-
Interest received	*6*	**12**	243
Acquisition of property, plant and equipment	*8*	**(1,639)**	(162,984)
Net cash used in investing activities		**2,540**	(162,741)
Net decrease in cash and cash equivalents		**(197,831)**	199,591
Cash and cash equivalents at 1 January	*12*	**264,055**	64,464
Cash and cash equivalents at 31 December	*12*	**66,224**	264,055

The notes on pages 8 to 27 are an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Contiki Services Limited ("the Company") is a private company, limited by shares, incorporated, domiciled and registered in the UK. The registered number is 01552103. The address of the company's registered office is Wells House, 15 Elmfield Road, Bromley, Kent, BR1 1LS.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

1.2 Going concern

The Company's principal business activities are set out in the Directors' report on page 1. Note 17 to the financial statements includes details of the Company's financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has adequate financial resources, and continues to be profit making. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

1.3 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors do not consider there to be any significant areas of estimation uncertainty in relation to these financial statements.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to revenue recognition. The Company recharges its costs to other Group Companies at the point at which the performance obligation is satisfied. The revenue is recognised after the recharges are raised quarterly. The Directors have made judgements based mainly on the percentage of passenger numbers travelled across the operating companies to determine how the costs are invoiced between the different Group companies.

In accordance with IFRS 16, the interest rate implicit in the leases cannot be readily determined and therefore the lessee's incremental borrowing rate is used. The incremental borrowing rate has been decided at Group Level and has been provided on a Rate Matrix.

1.4 Revenue

Revenue represents the income earned from providing central management services to other group companies. Revenue is recognised upon delivery of that service to the customer as this is considered the point at which the performance obligation is satisfied. All revenue excludes value added tax.

1.5 Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of total comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Short leasehold property improvements	10 years
Computer equipment	3-4 years
Office equipment	4 or 10 years
Motor vehicles	4 years

1.7 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, a bank credit card facility and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

(ii) Classification and subsequent measurement *(continued)*

***Financial assets** (continued)*

Financial liabilities and equity

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

1.8 Defined benefit plans

The company participates in a group defined benefit pension scheme, which was closed to new members from 1 May 2004 and closed to further accrual from 1 May 2011. The assets of the scheme are held separately from those of the company in separate trustee administered funds. The pension scheme is a group plan and Contiki Services Limited is not the sponsoring entity. Consequently, the scheme is accounted for as a defined contribution scheme and obligations for contributions are recognised as an expense in the statement of comprehensive income as incurred. The net defined benefit cost of the pension scheme is therefore recognised fully by the ultimate controlling party.

1.9 Defined contribution plans

From 1 May 2004 the company participated in a group defined contribution scheme. The assets of the scheme are held separately from those of the company in separate trust administered funds.

The company also contributes to a multi-employer, defined contribution occupational pension scheme for certain employees. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

1.10 Provisions

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

1.11 Finance income and expenses

Finance income comprises interest income and is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings and are recognised in the statement of total comprehensive income using the effective interest method.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of total comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1.13 Leases

The Company has applied IFRS 16 using the modified retrospective approach. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

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

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

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

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

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.13 Leases (continued)

As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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

COVID-19-related rent concessions

The Company has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Company applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

1.14 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first out principle.

1.15 Administrative Expenses

Administrative expenses are accounted for on an accruals basis.

1.16 New standards effective from 01 January 2020

In 2020, there was an amendment to IFRS 16 "COVID-19-Related Rent Concessions" detailed in Note 1.13 & Note 19c to the financial statements.

There are no further forthcoming standards that would have a material impact on the financial statements.

Notes *(continued)*

2 Revenue

The revenue and profit result are wholly attributable to the Company's main activity of processing and controlling of tour and hotel reservations and providing advisory and other ancillary services to fellow subsidiary undertakings.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue.

	2021	2020
	£000	£000
Major products/service lines		
Management Services	**2,294**	3,081
Sales of Stock	**0**	0
Sales of Tourism Services	**0**	11
Total	**2,294**	3,092

	2020	2020
	£000	£000
Primary geographical markets		
UK	**0**	233
Guernsey	**2,294**	2,859
Total	**2,294**	3,092

	2020	2020
	£000	£000
Timing of transfer of goods or services		
Products and services transferred at a point in time	**0**	11
Products and services transferred over time	**2,294**	3,081
Total	**2,294**	3,092

3 Expenses and auditor's remuneration

Included in total comprehensive income are the following:

	2021	2020
	£	£
Depreciation:		
Leasehold Property - ROU Asset	**226,389**	232,547
Office Equipment	**87,600**	88,829
Computer Equipment	**58,982**	41,235
Operating lease payments:		
Office equipment	**2,287**	3,119
Land and buildings	**-**	-
Loss on disposal of property, plant and equipment	**7,522**	-
Loss on derecognition of ROU Asset	**1,039**	-

Auditor's remuneration:

Audit	**8,356**	9,158

Notes *(continued)*

4 Other Income

Included in other income are the following:

	2021	2020
	£	£
UK Government payroll support	**157,028**	394,382
Lease Concessions received	**8,750**	8,869
Rent - Underlease	**35,924**	-
	201,702	403,251

Amounts of £157,028 *(2020: £394,382)* were received as part of the UK Government payroll support scheme due to the impact of COVID-19 on the travel sector. There are no conditions or requirements attached to the amounts received so they have been recognised as they fall due. The grant was recognised in profit and loss in full and presented in other income when it became receivable.

5 Staff numbers and costs

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

	Number of employees	
	2021	2020
Administrative staff	**14**	26
Operations staff	**14**	19
	28	45

The aggregate personnel expenses were as follows:

	2021	2020
	£	£
Wages and salaries	**1,253,706**	1,757,961
Compulsory social security contributions	**135,205**	182,175
Other pension costs	**154,947**	177,245
	1,543,858	2,117,381

Directors' remuneration:

	2021	2020
	£	£
Directors' emoluments	**193,188**	237,242
Pension contributions	**22,000**	21,333
	215,188	258,575

There are retirement benefits accruing to two directors under a defined benefit scheme *(2020: two)*.

Notes *(continued)*

6 Finance income & expense

	2021 £	2020 £
Interest income on cash deposits	**12**	243
Interest expense	**(123)**	(1,608)
Interest expense on lease liability	**(10,518)**	(13,971)

7 Taxation

Recognised in the statement of total comprehensive income

	2021 £	2020 £
Current tax expense:		
Current year	**64,093**	98,968
Under provision in respect of prior year	**5**	3,964
	64,098	102,932
Deferred tax expense:		
Origination and reversal of temporary differences	**(15,811)**	21,303
Effect of decreased tax rate	**-**	-
Total tax in statement of total comprehensive income	**48,287**	124,235

Reconciliation of effective tax rate

	2021 £	2020 £
Profit before tax	**165,348**	540,053
Tax using the UK corporation tax rate of 19% *(2019: 19%)*	**31,416**	102,610
Expenses not deductible for tax purposes	**2,339**	3,252
Under provision in respect of prior year	**5**	3,964
Under provision of tax in year	**-**	-
Reduction in tax rate on deferred tax balance	**-**	-
Depreciation on non-qualifying assets	**5,169**	5,451
Lease – Loss on disposal	**648**	-
Lease Amortisation – Disallowable	**43,014**	44,184
Lease Payments – Allowable	**(34,304)**	(35,226)
Total tax in statement of total comprehensive income	**48,287**	124,235

Notes *(continued)*

8 Property, plant and equipment

	Leasehold property £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Cost					
Balance at 1 January 2020	1,038,851	158,361	10,700	939,202	2,147,114
Recognition of right-of-use assets on initial application of IFRS16	-	-	-	-	-
Adjusted balance at 1 January 2020	-	-	-	-	-
Transfer of balance to Office Equipment	-	-	-	-	-
Additions	159,914	162,984	-	-	322,898
Disposals	-	-	-	-	-
Balance at 31 December 2020	1,198,765	321,345	10,700	939,202	2,470,012
Balance at 1 January 20201	1,198,765	321,345	10,700	939,202	2,470,012
Additions	-	-	-	1,639	1,639
Disposals	(92,731)	(14,620)	(10,700)	(13,716)	(131,767)
Transfer of balance to Computer/ Office Equipment	-	165	-	(165)	-
Balance at 31 December 2021	**1,106,034**	**306,890**	**-**	**926,960**	**2,339,884**
Depreciation					
Balance at 1 January 2020	232,017	140,741	8,562	407,774	789,094
Right-of-use Depreciation charge for the year	232,549	-	-	-	232,549
Transfer of balance to Office Equipment	-	-	-	-	-
Depreciation charge for the year	-	41,235	-	88,829	130,064
Disposals	-	-	-	-	-
Balance at 31 December 2020	464,566	181,976	8,562	496,603	1,151,707
Balance at 1 January 2021	464,566	181,976	8,562	496,603	1,151,707
Right-of-use Depreciation charge for the year	226,389	-	-	-	226,389
Depreciation charge for the year	-	58,982	-	87,600	146,582
Disposals	-	(14,620)	(8,562)	(4,165)	(27,347)
Transfer of balance to Computer/ Office Equipment	-	(1,314)	-	1,314	-
Balance at 31 December 2021	**690,955**	**225,024**	**-**	**581,352**	**1,497,331**
Net book value					
At 1 January 2020	806,834	17,620	2,138	531,428	1,358,020
At 31 December 2020 and 1 January 2021	734,199	139,369	2,138	442,599	1,318,305
At 31 December 2021	**415,079**	**81,866**	**-**	**345,608**	**842,553**

Notes *(continued)*

8 Property, plant and equipment *(continued)*

At 31 December 2021 property, plant and equipment includes right-of-use assets as follows:

	Leasehold property £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Right-of-use asset					
At 31 December 2021	**415,079**	-	-	-	**415,079**

9 Deferred tax

Recognised deferred tax liability

Deferred tax liability is attributable to the following:

	2021 £	2020 £
Property, plant and equipment	**(9,566)**	(25,377)

Movement in deferred tax during the year

	£
At 1 January 2020	(313)
Recognised in statement of total comprehensive income	(25,064)
At 31 December 2020	(25,377)
At 1 January 2021	(25,377)
Recognised in statement of total comprehensive income	15,811)
At 31 December 2021	**(9,566)**

10 Inventories

	2021 £	2020 £
Finished goods	**11,312**	26,804

11 Trade and other receivables

This note provides information about the Trade & Other receivables which are valued at amortised cost.

	2021 £	2020 £
Prepayments	**126,417**	110,801
Other receivables	**20,770**	34,021
VAT	**23,846**	18,227
Amount due from related parties	**4,064,696**	3,760,471
Corporation Tax	**34,877**	-
Trade and other receivables	**4,270,606**	3,923,520

Notes *(continued)*

12 Cash and cash equivalents

	2021	2020
	£	£
Cash and cash equivalents per statement of financial position and statement of cash flows	**66,224**	264,055

Facilities:

Company credit card facility of GBP 61,000.00
Bankers' Automated Clearing System facility of GBP 370,000.00

13 Trade and other payables < 1 year

	2021	2020
	£	£
Trade payables	**86,454**	6,941
Other taxes and social security	**31,349**	55,269
Non-trade payables and accrued expenses	**16,493**	95,050
VAT	**-**	-
Amounts due to related parties	**250,183**	306,955
Corporation Tax	**-**	99,703
Loans & Borrowings	**33,398**	120,706
Loans & Borrowings – Group	**175,663**	113,673
Total Trade and other payables < 1 year	**593,539**	798,297

The Company has credit card facilities available to a limit of £59,800 *(2020: £59,800)*. The remaining credit available at 31 December 2021 was £56,055 *(2020: £56,371)*.

14 Trade and other payables > 1 year

	2021	2020
	£	£
Loans & Borrowings	**77,295**	200,114
Loans & Borrowings – Group	**267,302**	382,964
Deferred Tax	**9,566**	25,377
Total Trade and other payables > 1 year	**354,163**	608,455

15 Employee benefits

Pension plans

The company contributes to a group pension scheme. The scheme comprises a defined benefit scheme, which was closed to new members from 1 May 2004 and closed to further accrual from 1 May 2011, and a defined contribution scheme, which was opened on 1 May 2004. The assets of the scheme are held in separate trustee administered funds. The defined benefit group plan is accounted for as a defined contribution scheme as there is no contractual agreement allocating the cost of the scheme, although it is accounted for as a defined benefit scheme by the ultimate controlling party.

The company also contributes to a multi-employer, defined contribution occupational pension scheme for certain employees.

The value of the scheme's assets at 1 May 2019 was £25,230,000 which represented 68% of the present value of past service liability, based on projected pensionable salaries.

Notes *(continued)*

15 Employee benefits *(continued)*

To deal with the deficit, the participating employers have agreed to pay deficit contributions of £19,218 per month from July 2020 to July 2021 and £922,488 per annum with effect from 1 August 2021, apart from the year from 1 August 2022 where contributions will be £1,844,976 per annum in order to eliminate the shortfall by 30 November 2030.

During the year ended 31 December 2021 £80,861 was charged against profits in respect of the defined benefit scheme *(2020: £93,592)* and £62,261 was charged against profits in respect of the defined contribution scheme *(2020: £67,053)*.The contribution paid by the entity has been estimated based on the membership of the scheme at the date that future accrual ceased and adjusted for length of membership of the company if appropriate

The scheme holds 14% (as at the balance sheet date) (2020: 14%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 14% (2020: 11%).

Plan assets consist of the following:

	2021 £000	2020 £000
Present value of funded defined benefit obligations	**41,163**	44,773
Fair value of plan assets	**(33,453)**	(30,230)
Net liability	**7,710**	14,543

Movement in the present value of the defined benefit obligation:

	2021 £000	2020 £000
Liability for defined benefit obligations at 1 January	**44,773**	40,988
Interest cost	**572**	811
Benefits paid by the plan	**(1,502)**	(843)
Actuarial (gains)/losses recognised in equity	**(2,680)**	3,817
Liability for defined benefit obligations at 31 December	**41,163**	44,773

Movement in fair value of plan assets:

	2021 £000	2020 £000
Fair value of plan assets at 1 January	**30,230**	27,344
Interest income	**387**	544
Employer contributions	**524**	571
Benefits paid by the plan	**(1,502)**	(843)
Actuarial (losses)/gains recognised in equity	**3,814**	2,614
Fair value of plan assets at 31 December	**33,453**	30,230

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

No adjustments have been made to the mortality assumption at year end to reflect the potential effects of COVID-19 as we believe it is unlikely to provide a reliable indicator of future experience

Notes *(continued)*

15 Employee benefits *(continued)*

Expense recognised in statement of comprehensive income

	2021 £000	2020 £000
Interest cost	**186**	267
	186	267

Plan assets consist of the following:

	2021 £000	2020 £000
Equity securities	**24,489**	22,952
Bonds	**5,201**	5,672
Property	**1,174**	1,263
Cash	**2,589**	343
	33,453	30,230

	2021 £000	2020 £000
Interest credit (on plan assets)	**387**	544
Actual return on plan assets	**4,200**	3,157

Actuarial assumptions:

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

	2021 %	2020 %
Discount rate	**1.9**	1.3
Future salary increases	**3.7**	3.0
Future pension increases on benefits accrued from 1997 to 2008	**3.7**	3.6
Future pension increases on benefits accrued post 2008	**2.1**	2.9
Rate of increase on deferred pensions	**3.0**	2.3
Retail Price Inflation - pre-retirement	**3.7**	3.0
Retail Price Inflation - post-retirement	**3.3**	3.0
Consumer Price Inflation - pre-retirement	**3.0**	2.3

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

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

Notes *(continued)*

16 Share capital and reserves

Reconciliation of movement in capital and reserves

	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	10,000	3,700,114	3,710,114
Total comprehensive income for the financial year	-	415,818	415,818
Balance at 31 December 2020	10,000	4,115,932	4,125,932
Balance at 1 January 2021	10,000	4,115,932	4,125,932
Total comprehensive income for the financial year	-	117,061	117,061
Balance at 31 December 2021	**10,000**	**4,232,993**	**4,242,993**

Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	**10,000**	10,000

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

Notes *(continued)*

17 Financial instruments

The Company holds or issues financial instruments in order to achieve three main objectives, as follows:

a) to finance its operations;

b) to manage its exposure to interest and currency risks from its operations and from its sources of finance; and

c) for trading purposes.

In addition, various financial instruments (e.g. trade receivables and trade payables) arise directly from the Company's operations.

Transactions in financial instruments result in the Company assuming or transferring to another party in one or more of the financial risks described below.

Credit risk

Financial risk management

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

The Company monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

The Travel Corporation Limited (the ultimate controlling party) has confirmed it will provide financial support to the Company for twelve months from the date of approval of these financial statements in order to ensure the Company has the ability to meet its financial obligations and commitments as and when they fall due. The financial statements have therefore been prepared on a going concern basis.

Exposure to credit risk

Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments. The intercompany balances are not considered to represent a significant credit risk by the Directors. The maximum credit exposure at the reporting date was:

	2021	2020
	£	£
Amounts due from related parties	**4,064,696**	3,760,471
	4,064,696	3,760,471

Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company at all times maintains adequate cash balances in order to meet all its commitments as and when they fall due. The Company has no long-term borrowings.

Exposure to liquidity risk

Payables mainly relate to trade payables, amounts due with respect to social security, corporation tax and accruals. All trade payables of £86,454 *(2020: £6,941)* are payable within six months or less from the year end.

Notes *(continued)*

17 Financial instruments *(continued)*

Interest rate risk

The Company invests its cash into a current account with Barclays Bank in the UK which pays credit interest at a rate equal to 2.5% below the Bank of England Base Rate. As Base Rate was below 2.5% at year end, the account currently pays a minimum rate of 0.01% *(2020: 0.01%)*. A movement of 1 per cent on this rate would result in a difference in annual pre-tax profit of £643 *(2020: £2,479)* based on the balance in the account as at 31 December 2021.

Foreign currency risk

Financial risk management

The company is exposed to foreign exchange risk in respect of transactions involving the Euro. The Company enters into transactions at contracted rates with other Group Companies, minimising its foreign exchange transaction risk. The Company does not use forward exchange contracts to hedge the Company's exposure to foreign currency risk in the local reporting currency.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts (stated below in sterling):

	2021 **EUR**	2020 EUR
Other receivables	**578**	1,145
Other payables	**(12,891)**	(13,274)
Net exposure	**(12,313)**	(12,129)

The following significant exchange rates applied during the year:

	Contracted rate		**Reporting date spot rate**	
	2021	2020	**2021**	2020
EUR	**1.0953**	1.0988	**1.1898**	1.1174

Sensitivity analysis

A 10% weakening in the Pound against the currencies above would decrease equity and profit at the 2021 year-end by £1,231 *(2020: decrease £1,212)* A 10% strengthening of the Euro against the Pound would have had the equal but opposite effect, on the basis that all other variables remain constant.

Fair value

The directors are of the opinion that the carrying value of financial instruments approximates fair value.

Trade and other receivables are valued at amortised cost. Impairment losses are estimated at year end by reviewing amounts outstanding and assessing the likelihood of recoverability.

Notes *(continued)*

18 Operating leases

Non-cancellable operating lease rentals in respect of office equipment are payable as follows:

	2021 £	2020 £
Less than one year	-	-
Between one and five years	-	-
	-	-

During the year £2,287 was recognised as an expense in the statement of total comprehensive income in respect of operating leases for office equipment *(2020: £3,119)*.

19 Leases

19 (a) Leases as a lessee (IFRS 16)

Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment:

	Leasehold property £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Balance at 1 January 2020	806,834	-	-	-	806,834
Additions	159,914	-	-	-	159,914
Depreciation charge for the year	(232,549)	-	-	-	(232,549)
Balance at 31 December 2020	734,199	-	-	-	734,199

	Leasehold property £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Balance at 1 January 2021	734,199	-	-	-	734,199
Additions	-	-	-	-	-
Disposals	(92,731)				(92,731)
Depreciation charge for the year	(226,389)	-	-	-	(226,389)
Balance at 31 December 2021	415,079	-	-	-	415,079

Notes *(continued)*

19 Leases *(continued)*

19 (a) Leases as a lessee (IFRS 16) (continued)

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	2021	2020
	£	£
Leases under IFRS 16		
Interest expense on lease liabilities	**10,518**	13,971

	2021	2020
Leases under IFRS 16		
Lease expense	**226,389**	232,549
	226,389	232,549

Amounts recognised in statement of cash flows

	2021	2020
	£	£
Cash outflow for leases	**111,799**	125,402
Cash outflow for leases to a group company (Wells House Lease)	**60,000**	60,000
Total Cash outflow for leases	**171,799**	185,402

19 (b) Leases as a lessee (IFRS 16)

The following table sets out a maturity analysis of lease payments to be made, showing the undiscounted lease payments to be made after the reporting date:

	2021	2020
Finance leases under IFRS 16	£	£
Less than one year	**209,060**	234,380
Between one and two years	**151,669**	238,482
Between two and three years	**184,190**	151,669
Between three and four years	**8,738**	184,190
Between four and five years	**-**	8,738
More than five years	**-**	-
	553,657	817,458

Notes *(continued)*

19 Leases *(continued)*

19 (c) Rent Concessions

The Company negotiated rent concessions with its landlords for one of the three property leases (RNH premises) as a result of the severe impact of the COVID-19 pandemic during the year.

The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Company has applied the practical expedient for COVID-19-related rent concessions is £8,750 *(2020: £8,870)*.

The Company also negotiated a rent deferral with its landlords for one of the three property leases (Wells House) as a result of the severe impact of the COVID-19 pandemic during the year. The deferred rent from 2020 will be settled either at the end of the lease or deducted against Early Termination Settlement if issued. The deferred rent from 2021 will be settled in three instalments from June to December 2022.

The amount recognised in balance sheet for the reporting period to reflect the rent deferral is £120,000 *(2020: £60,000)*.

20 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and foreign currency risk.

	2021	2020
	£	£
Non-current liabilities		
Lease liabilities	**77,295**	200,114
Lease liabilities (Group Company – Wells House Lease)	**267,302**	382,965
	344,597	583,078
Current liabilities		
Current portion of lease liabilities	**33,398**	120,706
Lease liabilities (Group Company – Wells House Lease)	**175,663**	113,674
	209,060	234,380

21 Related party transactions

Identity of related parties with which the Company has transacted

Other related parties are composed of other group companies. Services provided in the year to group companies represents Management Fee revenue.

Other related party transactions

	Sales to Related Parties	
	2021	2020
	£	£
Contiki Tours International Ltd-922	**-**	-
TTC Travel Group-963	**2,294,010**	3,080,972
Contiki Travel (UK) Ltd (UK)-024	**-**	-
Contiki Holidays Ltd - 226	**-**	-
	2,294,010	3,080,972

Notes *(continued)*

22 Ultimate parent company and parent company of larger group

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

The largest group in which the results of the Company are consolidated is that headed by The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The accounts of this company are not available to the public. The smallest group in which they are consolidated is that headed by Contiki (UK) Holdings Limited, a company registered in England and Wales. Copies of the consolidated accounts of Contiki (UK) Holdings Limited are available to the public from the Registrar of Companies.

23 Post Balance Sheet Events

There are no forthcoming events that will have a material impact on the financial statements.