

Contiki (UK) Holdings Limited

**Directors' report and financial
statements**

Registered number 1955493

31 December 2022



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2022.

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 company is a holding company for two subsidiary undertakings registered in England and Wales. The subsidiary undertakings operate Contiki holidays in the United Kingdom and Ireland and provide advisory and other ancillary services to fellow subsidiary undertakings of the Contiki Tours International Limited group of companies.

As a member of the Contiki Tours International Limited group of companies, the group participates in the financing and organisational arrangements of that group.

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 that the present level of activity will be maintained for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £602,987 (2021: £125,788). A dividend of £nil was declared in 2022 (2021: £nil).

Going Concern

Management continues to have a reasonable expectation that the Company has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate. The Company's financial position is one of recovery following the COVID-19 pandemic and measures adopted worldwide in response which hampered the Company's financial performance during 2020 and 2021. The operational capacity during 2022 steadily improved with a full return to business as usual expected in early 2023. Therefore, management has a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due. 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.

Financial instruments

Details of the Group's financial risk management objectives and policies are included in note 20 to the accounts.

Directors and directors' interests

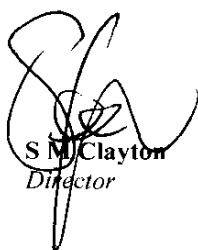
The directors who held office during the year were as follows:

B R Hall (resigned 27 January 2022)

S M Clayton

C A Treloggen

By order of the board



S M Clayton
Director

Wells House
15 Elmfield Road
Bromley
Kent
BR1 1LS

21st September 2023

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 group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with international accounting 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

Consolidated statement of comprehensive income
for the year ended 31 December 2022

	<i>Note</i>	2022 £	2021 £
Revenue	<i>1,2</i>	5,833,233	2,457,763
Cost of sales		(1,840,129)	(135,892)
Gross profit		3,993,104	2,321,871
Other income	<i>3</i>	-	201,702
Administrative expenses	<i>4,5</i>	(3,247,175)	(2,336,829)
Operating profit		745,929	186,744
Finance income	<i>6</i>	3,552	32
Finance expense	<i>6</i>	(10,115)	(10,641)
Finance expense		(6,563)	(10,609)
Profit before taxation		739,366	176,135
Taxation	<i>7</i>	(136,379)	(50,347)
Profit for the year		602,987	125,788
Total comprehensive income for the year		602,987	125,788

All results relate to continuing operations.

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

The notes on pages 8 to 30 are an integral part of the financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2022

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2021	200,000	4,629,144	4,829,144
Total comprehensive income for the year	-	125,788	125,788
Balance at 31 December 2021	200,000	4,754,932	4,954,932
Balance at 1 January 2022	200,000	4,754,932	4,954,932
Total comprehensive income for the year	-	602,987	602,987
Balance at 31 December 2022	200,000	5,357,919	5,557,919

Company statement of changes in equity
for the year ended 31 December 2022

	Share capital £	Retained earnings £	Total £
At 1 January 2021	200,000	-	200,000
At 1 January 2022	200,000	-	200,000
At 31 December 2022	200,000	-	200,000

The notes on pages 8 to 30 are an integral part of the financial statements.

Consolidated statement of financial position
at 31 December 2022

	<i>Note</i>	2022 £	2021 £
Non-current assets			
Property, plant and equipment	9	654,840	842,553
		<u>654,840</u>	<u>842,553</u>
Current assets			
Inventories	12	11,936	12,635
Trade and other receivables	14	200,365	258,371
Amounts due from related parties	13	5,595,855	4,209,904
Cash and cash equivalents	15	594,900	633,531
		<u>6,403,056</u>	<u>5,114,441</u>
Total assets		<u>7,057,896</u>	<u>5,956,994</u>
Non-current liabilities			
Deferred tax	10.17	(9,978)	(9,566)
Loans and borrowings	17.13	(315,636)	(344,597)
		<u>(325,614)</u>	<u>(354,163)</u>
Current liabilities			
Trade and other payables	16	(1,041,445)	(438,839)
Loans and borrowings	16.22	(132,918)	(209,060)
		<u>(1,174,363)</u>	<u>(647,899)</u>
Total liabilities		<u>(1,499,977)</u>	<u>(1,002,062)</u>
Net assets		<u>5,557,919</u>	<u>4,954,932</u>
Equity			
Share capital	19	200,000	200,000
Retained earnings		5,357,919	4,754,932
Total equity		<u>5,557,919</u>	<u>4,954,932</u>

The notes on pages 8 to 30 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 21st September 2023 and were signed on its behalf by:


S M Clayton
Director

Registered company 1955493

Company statement of financial position
at 31 December 2022

	<i>Note</i>	2022 £	2021 £
Non-current assets			
Investments	<i>11</i>	60,000	60,000
Current assets			
Trade and Other Receivables	<i>13</i>	140,000	140,000
Total assets		200,000	200,000
Equity			
Share capital	<i>19</i>	200,000	200,000
Retained earnings		-	-
Total equity		200,000	200,000

The notes on pages 8 to 30 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 21st September 2023 and were signed on its behalf by:



S M Clayton
Director

Registered company 1955493

Consolidated statement of cash flows
for the year ended 31 December 2022

	<i>Note</i>	2022 £	2021 £
Cash flows from operating activities			
Total comprehensive income for the year		601,987	125,788
<i>Adjustments for:</i>			
Depreciation	<i>9</i>	136,778	146,582
Depreciation on ROU Asset	<i>9</i>	137,196	226,389
Lease Concessions	<i>22</i>	(12,756)	(8,750)
(Gain)/ Loss on disposal of property, plant and equipment	<i>4</i>	(4,254)	7,522
(Gain)/ Loss on disposal of ROU Asset	<i>4</i>	(1,147)	(1,039)
Financial income	<i>6</i>	(3,552)	(32)
Financial expense	<i>6</i>	10,115	10,641
Taxation	<i>7</i>	136,379	50,347
Operating profit before changes in working capital and provisions		1,001,746	557,448
(Increase)/Decrease in trade and other receivables	<i>14</i>	3,229	(32,284)
(Increase)/Decrease in amounts due from related parties	<i>13</i>	(1,385,951)	118,846
Increase/(Decrease) in trade and other payables	<i>16</i>	198,154	(30,858)
Increase/(Decrease) in amounts due to related parties	<i>16</i>	230,183	(34,827)
(Increase)/Decrease in inventories	<i>12</i>	699	14,170
(Decrease)/Increase in deferred income	<i>16</i>	105,143	-
		153,203	592,495
Tax paid		(12,064)	(234,374)
Net cash used in/generated from operating activities		141,139	358,121
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		100,869	4,167
Interest received	<i>6</i>	3,552	32
Interest paid	<i>6</i>	-	(123)
Acquisition of property, plant and equipment		(86,921)	(1,639)
Lease Payments		(197,270)	(171,799)
Net cash used in investing activities		(179,770)	(169,362)
Net decrease in cash and cash equivalents		(38,631)	188,759
Cash and cash equivalents at 1 January		633,531	444,772
Cash and cash equivalents at 31 December	<i>15</i>	594,900	633,531

A company cash flow statement has not been presented as the company has not entered into any transactions in the year.

The notes on pages 8 to 30 are in integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Contiki (UK) Holdings Limited (the "Company") is a private company, limited by shares, incorporated, domiciled and registered in England in the UK.

The address of the company's registered office is Wells House, 15 Elmfield Road, Bromley, Kent, BR1 1LS. The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The parent company financial statements present information about the Company as a separate entity and not about its group.

1.1 Basis of preparation

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of total comprehensive income, cashflows and related notes that form a part of these approved financial statements. The Company is exempt from the requirements relating to the audit of individual accounts under the Act by virtue of section 479A. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Audit exemption for a subsidiary undertaking

The Company has given guarantees in regard to outstanding liabilities of the following subsidiary companies as at 31 December 2022 under Section 479C of the Companies Act 2006, as these subsidiary companies are exempt from audit under Section 479A of the Companies Act 2006 and are taking advantage of this exemption.

- Contiki Services Limited, registered number 01552103
- Contiki Travel (UK) Limited, registered number 01336852

1.2 Going concern

The Group's principal business activities are set out in the Directors' report on page 1. Note 20 to the financial statements include details of the Group's financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has adequate financial resources, and continues to run tours that are profit making. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

The directors continue to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate. The Group's financial position is one of recovery following the COVID-19 pandemic and measures adopted worldwide in response which hampered the Group's financial performance during 2020 and 2021. The operational capacity during 2022 steadily improved with a full return to business as usual expected in early 2023. Therefore, management has a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due. The Travel Corporation Limited (the ultimate controlling party) has confirmed it will provide financial support to the Group for twelve months from the date of approval of these financial statements in order to ensure the Group 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.

Notes (continued)

1 Accounting policies (continued)

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. In accordance with IFRS15, revenue generated from sales of tours has been recognised across the obligation of the tour. This policy does not apply to cancellation revenue, as this is recognised on departure date. One of the companies in the Group is a Management Services company, which recharges its cost to other Group Companies. 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 Contiki holidays in Great Britain and Ireland which have departed at the statement of financial position date. The services provided by Contiki Travel (U.K.) Limited include transportation, food, accommodation & activities across the United Kingdom and the Republic of Ireland. Revenue is generated from sales to travellers worldwide with major markets in Australia, the USA and Canada. The Group also provides ancillary services for fellow subsidiary companies. All turnover excludes value added tax.

1.5 Functional and presentation currency

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

1.6 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of total comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

1.7 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	10 - 25 years
Computer equipment	3 - 4 years
Office equipment	4 or 10 years
Motor vehicles	4 years

Notes (continued)

1 Accounting policies (continued)

1.8 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.

1.9 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.

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.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes (continued)

1 Accounting policies (continued)

1.10 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.

1.11 Employee benefits

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.

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.

1.12 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.

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.

Notes (continued)

1 Accounting policies (continued)

1.13 Leases (continued)

As a lessee (continued)

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.

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.

Notes (continued)

1 Accounting policies (continued)

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 Consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings. Intra-group balances are eliminated in preparing the consolidated financial statements.

1.16 Administrative Expenses

Administrative expenses are accounted for on an accruals basis.

1.17 New standards effective from 01 January 2022

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

2 Revenue

Disaggregation of revenue

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

	2022 £000	2021 £000
Major products/service lines		
Tour revenue	2,594	161
Optional sales	48	3
Management Services	3,184	2,294
Sales of Stock	-	-
Sales of Tourism Services	7	-
Total	5,833	2,458
	2022 £000	2021 £000
Primary geographical markets		
Australia	969	4
USA	786	74
UK/Guernsey	3,347	2,353
New Zealand	54	-
Canada	472	8
Europe	104	16
South Africa	75	2
Asia	26	1
Total	5,833	2,458
	2022 £000	2021 £000
Timing of transfer of goods or services		
Products and services transferred at a point in time	55	3
Products and services transferred over time	5,778	2,455
Total	5,833	2,458

Notes (continued)

3 Other Income

Included in other income are the following:

	2022 £	2021 £
UK Government payroll support	-	157,028
Lease Concessions received	-	8,750
Rent - Underlease	-	35,924
	<u>-</u>	<u>201,702</u>

Amounts of £nil (2021: £157,028) 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.

4 Expenses and auditor's remuneration

Included in profit are the following:

	2022 £	2021 £
Depreciation and other amounts written off:		
Leasehold Property – ROU Asset	137,196	226,389
Office Equipment	72,600	87,600
Computer Equipment	64,178	58,982
Operating lease payments:		
Office equipment	2,745	2,287
Land and buildings	-	-
(Profit)/Loss on disposal of fixed assets	(4,254)	7,522
(Profit)/Loss on derecognition of ROU Asset	1,147	1,039
(Profit)/Loss on foreign currency translation	(8,541)	20,117
	<u>-</u>	<u>-</u>

Auditor's remuneration:

	2022 £	2021 £
Audit	32,500	18,856
Other (ABTA)	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

5 Staff numbers and costs

The average numbers of persons employed by the group during the financial year amounted to:

	2022 Number	2021 Number
Administrative staff	18	14
Operations staff	16	14
	<u>34</u>	<u>28</u>

The aggregate personnel expenses of the above were:

	2022 £	2021 £
Wages and salaries	1,693,298	1,253,706
Compulsory social security contributions	194,225	135,205
Contribution to defined contribution plans	249,450	154,947
	<u>2,136,973</u>	<u>1,543,858</u>

The directors' aggregate emoluments in respect of qualifying services were:

	2022 £	2021 £
Directors' emoluments	274,508	193,188
Pension contribution	22,000	22,000
	<u>296,508</u>	<u>215,188</u>

There are retirement benefits accruing to two directors under a defined benefit scheme (2021: two).

6 Finance income and expense

	2022 £	2021 £
Interest income on cash deposits	3,552	32
Interest expense	-	(123)
Interest expense on lease liability	(10,115)	(10,518)
	<u>(6,563)</u>	<u>(10,609)</u>

Notes (continued)

7 Taxation

Recognised in the statement of total comprehensive income

	2022 £	2021 £
<i>Current tax expense</i>		
Current year	135,967	66,143
Under provision in prior year	93	15
	<hr/>	<hr/>
	136,060	66,158
<i>Deferred tax expense</i>		
Origination and reversal of timing differences	319	(15,811)
Effect of decreased tax rate	-	-
	<hr/>	<hr/>
Total tax in statement of total comprehensive income	136,379	50,347
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2022 £	2021 £
Profit before tax	739,366	176,135
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2021: 19%)	140,480	33,466
Under provision of tax of prior year	93	15
Under provision of tax in years	-	-
Reduction in tax rate on deferred tax balance	-	-
Depreciation of non-qualifying assets	5,184	5,169
Deferred Taxation	-	-
Expenses not deductible for tax purposes	2,255	2,339
Lease – (Profit)/Loss on disposal	(218)	648
Lease Amortisation – Disallowable	26,067	43,014
Lease Payments – Allowable	(37,481)	(34,304)
	<hr/>	<hr/>
Total tax in statement of total comprehensive income	136,379	50,347
	<hr/>	<hr/>

8 Total comprehensive income attributable to members of the parent company

As the parent company is non-trading, there were neither profits nor losses during this or the previous year.

Notes (continued)

9 Property, plant and equipment - Group

	Short leasehold property £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Cost					
Balance at 1 January 2021	1,198,765	321,345	10,700	939,202	2,470,112
Transfer of balance to Office Equipment	-	165	-	(165)	-
Additions	-	-	-	1,639	1,639
Disposals	(92,731)	(14,620)	(10,700)	(13,716)	(131,767)
Balance at 31 December 2021	1,106,034	306,890	-	926,960	2,339,884
Balance at 1 January 2022	1,106,034	306,890	-	926,960	2,339,884
Additions	-	55,172	-	31,749	86,921
Right-of-use Additions	189,058	-	-	-	189,058
Disposals	(93,102)	-	-	(249,592)	(342,694)
Transfer of balance to Computer/ Office Equipment	-	-	-	-	-
Balance at 31 December 2022	1,201,990	362,062	-	709,117	2,273,169
Depreciation					
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
Transfer of balance to Office Equipment	-	(1,314)	-	1,314	-
Depreciation charge for the year	-	58,982	-	87,600	146,582
Disposals	-	(14,620)	(8,562)	(4,165)	(27,347)
Balance at 31 December 2021	690,955	225,024	-	581,352	1,497,331
Balance at 1 January 2022	690,955	225,024	-	581,352	1,497,331
Right-of-use Depreciation charge for The year	137,196	-	-	-	137,196
Depreciation charge for the year	-	64,178	-	72,600	136,778
Disposals	-	-	-	(152,976)	(152,976)
Transfer of balance to Computer/ Office Equipment	-	-	-	-	-
Balance at 31 December 2022	828,151	289,202	-	500,976	1,618,329
Net book value					
At 31 December 2020	734,199	139,369	2,138	442,599	1,318,305
At 31 December 2021	415,079	81,866	-	345,608	842,553
At 31 December 2022	373,839	72,860	-	208,141	654,840

Notes (continued)

9 Property, plant and equipment – Group (continued)

At 31 December 2022 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 2022	373,839	-	-	-	373,839

10 Deferred tax - Group

Deferred tax liability

Deferred tax liability attributable to the following:

	2022 £	2021 £
Property, plant and equipment	(9,978)	(9,566)

Movement in deferred tax during the year

	£
At 1 January 2021	(25,377)
Recognised in the statement of comprehensive income	15,811
At 31 December 2021	(9,566)
At 1 January 2022	(9,566)
Recognised in the statement of comprehensive income	(412)
At 31 December 2022	(9,978)

Notes (continued)

11 Investments - Company

Company – investment in subsidiary undertakings

£

Cost and net book value

At 1 January 2022 and 31 December 2022

60,000

The subsidiary undertakings of the company during the year, all of which were 100% owned and registered in England and Wales were as follows:

Name of company	Principal activity	Class of shares held	Ownership %	
			2022	2021
Contiki Travel (UK) Limited	Tour operator	Ordinary	100	100
Contiki Services Limited	Operational and data processing services	Ordinary	100	100

The registered office address of both of these subsidiaries are Wells House, 15 Elmfield Road, Bromley, Kent, BR1 1LS.

12 Inventories

	2022	2021
	£	£
Finished goods	11,936	12,635

Notes (continued)

13 Amounts due from related parties

Amounts due from other members of The Travel Corporation Limited ("TTC") group, which are unsecured, non-interest bearing, and payable on demand are:

	Group		Company		Total
	2022	2021	2022	2021	2022
	£	£	£	£	£
Parent company	5,455,475	4,053,337	140,000	140,000	5,595,475
Others	380	16,567	-	-	380
	5,455,855	4,069,904	140,000	140,000	5,595,855

14 Trade and other receivables - Group

	2022	2021
	£	£
VAT	2,265	25,268
Other debtors	126,885	20,770
Prepayments	71,215	157,556
Corporation tax	-	54,777
	200,365	258,371

15 Cash and cash equivalents - Group

	2022	2021
	£	£
Cash and cash equivalents per statement of financial position and statement of cash flow	594,900	633,531

16 Trade and other payables < 1 year

	2022	2021
	£	£
Amounts due to related parties - group other	502,313	272,130
Trade payables	234,839	91,531
PAYE and social security	74,407	31,349
Non-trade payables and accrued expenses	48,374	43,829
Deferred income	105,143	-
Loans and borrowings	132,918	209,060
Corporation tax	69,126	-
VAT	7,243	-
Total Trade and other payables < 1 year	1,174,363	647,899

Notes (continued)

17 Trade and other payables > 1 year

	2022 £	2021 £
Loans and borrowings	315,637	344,597
Deferred Tax	9,978	9,566
	<u>325,615</u>	<u>354,163</u>

18 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.

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 2022 £175,902 was charged against profits in respect of the defined benefit scheme (2021: £80,861) and £58,004 was charged against profits in respect of the defined contribution scheme (2021: £62,261). The contribution paid by the entity in respect of the defined benefit scheme 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 17% (as at the balance sheet date) (2021: 14%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 23% (2021: 14%).

Plan assets consist of the following:

	2022 £000	2021 £000
Present value of funded defined benefit obligations	25,471	41,163
Fair value of plan assets	(28,253)	(33,453)
	<u>(2,782)</u>	<u>7,710</u>

Notes (continued)

18 Employee benefits (continued)

Movement in the present value of the defined benefit obligation:

	2022 £000	2021 £000
Liability for defined benefit obligations at 1 January	41,163	44,773
Interest cost	774	572
Benefits paid by the plan	(817)	(1,502)
Actuarial (gains)/losses recognised in equity	(15,649)	(2,680)
	<hr/>	<hr/>
Liability for defined benefit obligations at 31 December	25,471	41,163
	<hr/>	<hr/>

Movement in fair value of plan assets:

	2022 £000	2021 £000
Fair value of plan assets at 1 January	33,453	30,230
Interest income	641	387
Employer contributions	1,371	524
Benefits paid by the plan	(817)	(1,502)
Actuarial (losses)/gains recognised in equity	(6,395)	3,814
	<hr/>	<hr/>
Fair value of plan assets at 31 December	28,253	33,453
	<hr/>	<hr/>

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.

Expense recognised in statement of comprehensive income

	2022 £000	2021 £000
Interest cost	133	186
	<hr/>	<hr/>
	133	186
	<hr/>	<hr/>

Plan assets consist of the following:

	2022 £000	2021 £000
Equity securities	20,892	24,489
Bonds	5,408	5,201
Property	1,035	1,174
Cash	918	2,589
	<hr/>	<hr/>
	28,253	33,453
	<hr/>	<hr/>

Notes (continued)

18 Employee benefits (continued)

	2021 £000	2020 £000
Interest credit (on plan assets)	640	387
Actual return on plan assets	(5,753)	4,200
	<u>-----</u>	<u>-----</u>

Actuarial assumptions:

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

	2022 %	2021 %
Discount rate	4.8	1.9
Future salary increases	3.1	3.7
Future pension increases on benefits accrued from 1997 to 2008	3.7	3.7
Future pension increases on benefits accrued post 2008	3.0	2.1
Rate of increase on deferred pensions	2.5	3.0
Retail Price Inflation - pre-retirement	3.1	3.7
Retail Price Inflation - post-retirement	3.2	3.3
Consumer Price Inflation - pre-retirement	2.5	3.0

History of plans

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

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Present value of the defined benefit obligation	(25,471)	(41,163)	(44,773)	(40,988)	(36,468)
Fair value of plan assets	28,253	33,453	30,230	27,344	22,651
Surplus/ (Deficit) in the plan	2,782	(7,710)	(14,543)	(13,644)	(13,817)
Experience adjustments on plan liabilities	(0.4%)	(0.5%)	1.3%	1.6%	1.4%
Experience adjustments on plan assets	(22.6%)	11.4%	8.6%	14.1%	(8.0%)

Notes (continued)

19 Share capital

Group and Company

	2022 £	2021 £
<i>Allotted, called up and fully paid</i>		
200,000 ordinary shares of £1 each	200,000	200,000
	<hr/>	<hr/>

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.

20 Financial Instruments

The Group 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 risk 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 Group's operations.

Transactions in financial instruments result in the Group 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.

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:

Notes (continued)

20 Financial instruments (continued)

	2022 £	2021 £
Prepayments	71,215	157,556
Amounts due from related parties	5,595,857	4,209,904
	<hr/> 5,667,072	<hr/> 4,367,460

Liquidity risk

Financial risk management

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

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.

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 liquidity risk

Payables mainly relate to trade payables, corporation tax and accruals. All trade payables of £133,806 (2021: £91,531) are payable within six months or less from the year end. The intercompany balances are not considered to represent a significant liquidity risk by the Directors.

Interest rate risk

The Group 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. Interest earned therefore closely follows movements in Bank of England base rate. As Base Rate was 3.5% at year end, the account paid a minimum rate of 1.00% (2021: 0.01%). A movement of 1 per cent on this rate would result in a difference in annual pre-tax profit of £4,086 (2021: £3,659 based on the balance in the account at 31 December 2022).

Foreign currency risk

Financial risk management

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

Exposure to currency risk

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

	CAD	AUD	ZAR	USD	2022 EUR
Trade debtors	2,212	9,512	1,106	2,968	(6,467)
Amounts due to related parties	-	-	-	-	(121,930)
Cash and cash equivalents	-	-	-	-	86,523
Trade payables	-	-	-	-	(41,479)
	<hr/> 2,212	<hr/> 9,512	<hr/> 1,106	<hr/> 2,968	<hr/> (83,354)

Notes *(continued)*

20 Financial instruments *(continued)*

	AUD	ZAR	NZD	2021 EUR
Trade debtors	-	-	-	810
Amounts due to related parties	-	-	-	(206)
Cash and cash equivalents	-	-	-	248,669
Trade payables	-	-	-	(15,251)
	<hr/>	<hr/>	<hr/>	<hr/>
Net exposure	-	-	-	234,022
	<hr/>	<hr/>	<hr/>	<hr/>

The following significant exchange rates applied during the year:

	Contracted rate		Reporting date spot rate	
	2022	2021	2022	2021
EUR	1.1518	1.0953	1.1276	1.1898
NZD	2.2685	2.2547	1.9058	1.9773
CAD	1.9642	1.9749	1.6385	1.7131
ZAR	22.7122	24.8119	20.5785	21.5870
AUD	2.1072	2.1041	1.7762	1.8624
USD	1.5960	1.4546	1.2102	1.3536

Sensitivity analysis

A 10% weakening in the Pound against the currencies above would decrease equity and profit at the 2022 year-end by £6,756 (2021: increase £23,402). A 10% strengthening of the Pound against the currencies above would have had the equal but opposite effect, on the basis that all other variables remain constant.

	2022 £	2021 £
USD	297	-
AUD	951	-
CAD	221	-
ZAR	111	-
NZD	-	-
EUR	(8,335)	23,402
	<hr/>	<hr/>
	(6,756)	23,402
	<hr/>	<hr/>

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)

21 Operating leases

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

	2022 £	2021 £
Less than one year	-	-
Between one and five years	-	-
More than five years	-	-
	<u>-</u>	<u>-</u>

During the year £2,745 was recognised as an expense in the statement of total comprehensive income in respect of operating leases for office equipment (2021: £2,287).

22 Leases

22 (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 2021	734,199	-	-	-	734,199
Additions	-	-	-	-	-
Disposals	(92,731)	-	-	-	(92,731)
Depreciation charge for the year	(226,389)	-	-	-	(232,549)
	<u>415,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,079</u>
Balance at 31 December 2021	415,079	-	-	-	415,079

	Leasehold property £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Balance at 1 January 2022	415,079	-	-	-	415,079
Additions	189,058	-	-	-	189,058
Disposals	(93,102)	-	-	-	(93,102)
Depreciation charge for the year	(137,196)	-	-	-	(137,196)
	<u>373,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,839</u>
Balance at 31 December 2022	373,839	-	-	-	373,839

Notes (continued)

22 Leases (continued)

22 (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:

	2022 £	2021 £
Leases under IFRS 16		
Interest expense on lease liabilities	10,115	10,518

	2022	2021
Leases under IFRS 16		
Lease expense	137,196	226,389
	<u>137,196</u>	<u>226,389</u>

Amounts recognised in statement of cash flows

	2022 £	2021 £
Total cash outflow for leases	197,270	171,799

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:

	£ 2022	£ 2021
Finance leases under IFRS 16		
Less than one year	132,918	209,060
Between one and two years	165,717	151,669
Between two and three years	16,911	184,190
Between three and four years	17,799	8,738
Between four and five years	18,698	-
More than five years	96,511	-
	<u>448,555</u>	<u>553,657</u>

Notes (continued)

22 Leases (continued)

22 (b) 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.

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 £nil (2021: £8,750).

During the year, the company terminated its original lease & commenced a new lease with its landlords for one of the three property leases (RNH premises). The company negotiated a rent concession of four years rent free, with the first rent payment due 21st June 2026. This rent concession of £96,000 has been offset with the disposal of Fixed Assets at the old premises.

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. 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 was 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 £nil (2021: £120,000).

23 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.

	2022 £	2021 £
Non-current liabilities		
Lease liabilities	315,637	344,597
	<u>315,637</u>	<u>344,597</u>
Current liabilities		
Current portion of lease liabilities	132,918	209,060
	<u>132,918</u>	<u>209,060</u>

Notes (continued)

24 Related party transactions

Identity of related parties with which the Company has transacted

Other related parties are composed of other group companies. Services received by the company from other related parties are Management Services, Sales Services and 1% GSA Guarantee. Service provided by the company to the other related parties are Tour Operation Services.

Other related party transactions

	Sales to Related Parties		Administrative expenses incurred from Related Parties	
	2022	2021	2022	2021
	£	£	£	£
Contiki Tours International Ltd-922	-	-	-	-
Contiki Holidays (NZ) Ltd-520	53,749	-	11,077	-
Contiki Holidays (Canada) Limited-820	472,434	7,907	121,597	2,123
Contiki Holidays Ltd -226	212,097	71,766	23,506	10,354
Trafalgar Tours (Pty) Ltd-300	74,607	2,015	15,171	423
The Travel Corporation (2011) Pte Ltd-630	26,448	1,111	9,462	306
Contiki Holidays (Australia) Pty Ltd-420	968,799	3,890	213,469	169
Contiki (US) Holdings Inc-720	785,802	73,857	208,321	18,975
TTC Travel Group-963	3,183,787	2,294,010	119,368	-
TravCorp Investments Limited-967	-	-	369,046	8,677
Evan Evans Tours Ltd-033	-	-	25,932	-
	5,777,723	2,454,556	1,116,949	41,027

Bankers have supplied bonds totalling £750,000 (2021: £662,200) to the licensing authorities of one of the subsidiaries. Contiki Tours International Limited has guaranteed the bonds.

Details of the company's immediate parent and of the ultimate controlling party are included in note 25.

25 Ultimate parent company

The immediate parent undertaking of the company is Contiki Tours International Limited, a company incorporated in Guernsey.

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

The accounts of both the above companies are not available to the public.

26 Post Balance Sheet Events

The Russian and Ukraine conflict, although ongoing, has no impact to the financial statements of The Company but there is active monitoring of the situation and any potential impact.