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Ski Bound Limited
Reports of the Directors and financial statements
for the year ended 30 September 2019
Company number 1873956

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The Directors present their Strategic and Directors' Reports on and the audited financial statements of Ski Bound Limited (the "Company") for the year ended 30 September 2019. The Company is a wholly owned subsidiary within the Travelopia Group of companies ("the Group"), headed in the UK by Tim Intermediateco Limited (renamed Travelopia Group Holdings Limited with effect from 1 May 2020). The names Tim Intermediateco Limited and Travelopia Group Holdings Limited are synonymous within the Reports of the Directors and financial statements.

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of a tour operator.

Review of the business

The Company's profit on ordinary activities before taxation for the year ended 30 September 2019 was £1,577,000 (2018: Profit £1,877,000). No dividends were paid during the year (2018: £nil) and the Directors do not recommend the payment of a final dividend.

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

	Year ended 30 September 2019 No./£'000	Year ended 30 September 2018 No./£'000
Number of passengers	54,108	51,956
Revenue	36,131	33,611
Average revenue per passenger	0.668	0.647
Profit on ordinary activities before taxation	1,577	1,877
Net assets	12,303	11,047

The Company has two main brands, Skibound and Travelbound. The Skibound brand operates ski trips for school parties to its club hotels in France and third-party locations in Europe and North America. Travelbound operates educational school trips, university tours and music performing arts tours within the UK and overseas.

Revenue was up in the year at £36,131,000, growth of 7.5%. Good trading performances were achieved in our Ski Club Hotel, Core Travelbound and Music Concert branded businesses. Overall trading in Europe and long haul remains challenging due to the general macro-economic conditions, highly competitive markets and increasing safety concerns on short haul destinations which combined with foreign exchange impacts has led to increasing cost pressures. Passenger growth of 4.1% was led by strong performances within our Travelbound programmes and increased average revenue per customer to £668 (2018: £647), helped maintain margins driving increase in profit before tax. Net assets increase of £1,256,000 was attributable to the retained profit generated in the year.

Funding, liquidity, post balance sheet events and going concern

At 30 September 2019, the Company has net assets of £12,303,000 and net current assets of £7,846,000.

Subsequent to the year end and up to the date of signing these financial statements, the rapid global escalation of the Covid-19 coronavirus from late February 2020 resulting in significant global travel restrictions, has impacted the Company's, the Group's and our suppliers' ability to fully deliver and operate its core products.

The Company and the Group's Directors are monitoring the situation closely, drawing up and implementing plans to mitigate the impact of the operational risks where possible, including cancellation, postponement and rebooking of our holidays, together with numerous cost reduction actions, with the intention of reducing losses and cash outflows subsequently arising. Both the Company and the Group have plans in place for a recovery and return to growth after the impact of the virus but there will be a significant impact on trading and results while global travel restrictions are in place and likely in the immediate period thereafter.

STRATEGIC REPORT (continued)

Post balance sheet events, funding, liquidity and going concern (continued)

Until the outbreak of Covid-19, the Group was on course to deliver double digit EBITDA (Earnings before interest, tax, depreciation and amortisation) growth against prior year for the year ending 30 September 2020. Whether the Company is able to operate further holidays in the remainder of the year and thereafter will be dependent on a number of factors, including government restrictions in the UK and European countries, customers' willingness to travel, and the ability of suppliers to provide the required services and as a result, the Company is now forecasting nothing in the way of revenue for the second half of this financial year, other than cancellation revenue, unless travel restrictions start to be lifted.

These financial statements are prepared on a going concern basis as Tim Intermediateco Limited has agreed to provide financial support to the Company if it should be required, in order that it can continue to trade and meet its liabilities as they fall due.

As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of the Group to determine the appropriateness of preparing the financial statements on a going concern basis, further details of which are provided in Note 2 of these financial statements. Following this assessment, the Directors of the Company are confident that the Group can continue as a going concern and have concluded it is appropriate to prepare these financial statements on a going concern basis.

Future developments

The Company will continue with cost saving measures whilst the period of disruption continues with a focus on rebuilding towards pre COVID19 levels of activity and revenue as soon as possible in the future.

Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101")

The Company continues to use FRS 101 as its basis of accounting.

Principal risks and uncertainties

Set against the evolving macroeconomic environment, the principal risks and uncertainties which are common to the Group and the Company are:

- **COVID-19 coronavirus.** The current global travel restrictions impact the Company's ability to operate and deliver their core products and thus generate revenue. While the duration of such restrictions is currently unknown, by taking the planned mitigating actions in the face of this pandemic, the Group's scenario modelling demonstrates that it has sufficient liquidity to endure an extended period of travel restriction and that the Company and Group can continue as a going concern for at least the next 12 months from the date of signing these financial statements. There is a risk that if customer demand and hence re-bookings do not materialise for our Group's trips from 1 January 2021 or cash refunds are significantly higher than as modelled in our most extreme scenario as described in note 2 of these financial statements, then the Group may not be able to continue as a going concern.
- **Destination disruption risk.** Providers of holiday and travel services are exposed to the inherent risk of incidents affecting some countries or destinations within their operations. This can include natural catastrophes; outbreaks of disease such as the Coronavirus; political volatility and terrorist events. The Company monitors and follows foreign office advice regarding the safety and suitability of travelling to particular destinations. In addition to which a disaster recovery plan is in place in case of any significant business interruption or loss.
- **Consumer preferences and desires.** The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. Additionally the industry and schools markets continue to develop and evolve their web-based offering. There is the risk that if we do not respond adequately to such business model disruption, or if our products and services fail to meet changing customer demands and preferences, that our turnover, market share and profitability will suffer as a result. The Company obtains regular consumer feedback, completes market reviews and trend analysis and is developing and investing in the latest web based technology in order to mitigate these risks.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Legal & regulatory compliance.** The Company operates in a highly-regulated environment, particularly in relation to consumer protection, tax, aviation and the environment including ABTA and ATOL membership and compliance. The Group has established an effective system of internal control that the Company adheres to in order to ensure we operate, to the best of our knowledge in compliance with all legal and regulatory requirements. Non-compliance could result in the Company potentially suffering negative impact, damage to our reputation and reduced revenues.
- **Brexit.** The UK's recent departure from the EU continues to create uncertainty, including foreign exchange rate volatility and the short to medium term outlook for the UK economy. This uncertainty is impacting demand for overseas holidays in the Company's UK source market and creates some risk to the financial performance of the Company. Brexit risk is mitigated as far as possible through forward purchasing of foreign currency.
- **Input cost volatility.** A significant proportion of operating expenses are in non-local currency which therefore exposes the business to changes in exchange rates. There is the risk that if we do not manage adequately the volatility of exchange rates and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets. The Company manages this risk using a hedging policy of taking out options to purchase non-functional currency many months in advance of the underlying transaction, thereby creating an element of certainty over the Company's future cost base. This protects the Company's profit margins, although the accounting policy adopted by the Company will cause volatility in the statement of comprehensive income in the period between the time that the option is purchased and the underlying transaction is recognised.
- **Health & safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. There is the risk of accidents occurring causing injury or death to customers or colleagues whilst on one of our holidays. This could result in reputational damage to the Company and/or financial liabilities through legal action being taken by the affected parties. The company has drawn up and adopted a strict health and safety policy and guidelines including regular checks and requiring the regulatory compliance of all our third party service transport and accommodation providers in order to mitigate these risks.
- **Talent management.** The Company's success depends on its ability to retain key management and it relies on having good relations with its colleagues. If we are unable to attract and retain talent, build future leadership capability and maintain the commitment and trust of our employees, we risk not maximising our operating results and financial performance. The company reviews staff performance and has had a comprehensive reward and benefits package in place in order to try and attract and retain key talent.
- **Cyber security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have and the services we provide to our customers, our employees, our suppliers and service delivery teams. There is a risk that our increasing dependence on online sales and customer care channels increases our exposure and susceptibility to cyber-attacks and hacks. The Group and Company are constantly reviewing to ensure as far as possible that appropriate levels of security controls are in place. A security breach could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Supply chain risk.** Providers of holiday and travel services are exposed to the inherent risk of failure in their key suppliers. This is further heightened by the industry convention of paying in advance to secure room allocations. If we are unable to manage financial exposure, should the demand drop, the Company could be exposed to financial losses. In order to manage this the Company regularly reviews its occupancy levels and any potential unutilised capacity and adjusts its pricing and room stock levels accordingly.

On behalf of the Board



N K Rust
Director

Company Number 1873956

Dated 11 May 2020

DIRECTORS' REPORT

Directors

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

B D L Jones Resigned 5 November 2019

B G Robinson

N K Rust

Directors' insurance

Throughout the financial year, the ultimate parent company, Travelopia Holdings Limited maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third-party indemnity provision.

Statement as to disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Business review

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

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101.

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 and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



N K Rust
Director

Company Number 1873956

Dated 11 May 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SKI BOUND LIMITED

Opinion

We have audited the financial statements of Ski Bound Limited ("the Company") for the year ended 30 September 2019 which comprise the statement of total comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

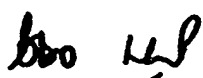
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



John Everingham (Senior Statutory Auditor) for and on behalf of BDO LLP, statutory auditor
Gatwick

Date:

11 May 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ski Bound Limited
Statement of total comprehensive income for the year ended 30 September 2019

		Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
	Note		
Revenue		36,131	33,611
Cost of sales		(29,927)	(27,605)
Gross profit		6,204	6,006
 Administrative expenses		 (4,986)	(4,496)
Operating profit		1,218	1,510
 Finance income	6	 405	402
Finance expense	7	(46)	(35)
Profit on ordinary activities before taxation	8	1,577	1,877
 Tax expense	10	 (321)	(470)
Profit for the financial year attributable to owners of the parent		1,256	1,407
 Total comprehensive income for the year attributable to owners of the parent		 1,256	1,407

The notes on pages 12 to 28 form part of these financial statements.

Ski Bound Limited
Balance sheet as at 30 September 2019

		30 September 2019 £'000	30 September 2018 £'000
	Note		
Non-current assets			
Intangible assets	11	272	383
Property, plant and equipment	12	241	187
Investments in subsidiaries	13	4,796	4,796
Deferred tax assets	14	368	347
		<u>5,677</u>	<u>5,713</u>
Current assets			
Trade and other receivables	16	13,321	13,717
Derivative financial assets	15	255	198
Cash and cash equivalents		10,071	6,971
		<u>23,647</u>	<u>20,886</u>
Total assets		<u>29,324</u>	<u>26,599</u>
Current liabilities			
Trade and other payables: amounts falling due within one year	17	(14,967)	(13,624)
Income tax – group relief payable		(723)	(910)
Derivative financial liabilities	15	(111)	(35)
		<u>(15,801)</u>	<u>(14,569)</u>
Non-current liabilities			
Trade and other payables: amounts falling due over one year	18	(224)	-
Provisions for liabilities	19	(996)	(983)
		<u>(1,220)</u>	<u>(983)</u>
Total liabilities		<u>(17,021)</u>	<u>(15,552)</u>
Net assets		<u>12,303</u>	<u>11,047</u>
Equity			
Called up share capital	21	22,250	22,250
Merger reserve	22	2,187	2,187
Profit and loss account	22	(12,134)	(13,390)
Total equity		<u>12,303</u>	<u>11,047</u>

The notes on pages 12 to 28 form part of these financial statements.

The financial statements on pages 9 to 28 were approved and authorised for issue by the Board of Directors on 11 May 2020 and signed on its behalf by:



N K Rust
Director
Company number 1873956

Ski Bound Limited**Statement of changes in equity for the year ended 30 September 2019**

	Note	Called up share capital £'000	Merger reserve £'000	Profit and loss account £'000	Total equity £'000
At 30 September 2017		22,250	2,187	(14,797)	9,640
Total comprehensive income for the year		-	-	1,407	1,407
At 30 September 2018		22,250	2,187	(13,390)	11,047
Total comprehensive income for the year		-	-	1,256	1,256
At 30 September 2019		22,250	2,187	(12,134)	12,303

The notes on pages 12 to 28 form part of these financial statements.

1. General information

The Company is a private limited company incorporated and domiciled in England. The address of its registered office is Origin One, 108 High Street, Crawley, West Sussex, United Kingdom, RH10 1BD. The Company's registered number is 1873956.

2. Basis of preparation

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

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

FRS 101

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

The Company continues to use FRS101 as the basis of accounting. In addition to adopting FRS 101, the Company also elected to adopt both the provisions of Statutory Instrument 2015 No.980 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015' ("SI 980") and FRS 101 (September 2015) which permit the use of the formats prescribed in International Accounting Standard 1 'Presentation of financial statements' ("IAS 1") for the primary statements, as opposed to using the formats prescribed by Companies Act 2006.

Going concern

At 30 September 2019, the Company has net assets of £12,303,000 (2018: 11,047,000) and net current assets of £7,846,000 (2018: £6,317,000).

Subsequent to the year end and up to the date of signing these financial statements, the rapid global escalation of the Covid-19 coronavirus from late February 2020 resulting in significant global travel restrictions, has impacted the Company's, the Group's and our suppliers' ability to fully deliver and operate its core products.

The Company and the Group's Directors are monitoring the situation closely, drawing up and implementing plans to mitigate the impact of the operational risks where possible, including cancellation, postponement and rebooking of our holidays, together with numerous cost reduction actions, with the intention of reducing losses and cash outflows subsequently arising. Both the Company and the Group have plans in place for a recovery and return to growth after the impact of the virus but there will be a significant impact on trading and results while global travel restrictions are in place and likely in the immediate period thereafter.

Until the outbreak of Covid-19, the Group was on course to deliver double digit EBITDA (Earnings before interest, tax, depreciation and amortisation) growth against prior year for the year ending 30 September 2020. Whether the Company is able to operate further tours and events in the remainder of the year and thereafter will be dependent on a number of factors, including government restrictions in the UK and European countries, customers' willingness to travel, and the ability of suppliers to provide the required services and as a result, the Company is now forecasting nothing in the way of revenue for the second half of this financial year, other than cancellation revenue, unless travel restrictions start to be lifted.

The Company and the Group's Directors have already taken various cost reduction actions, with the intention of reducing losses and cash outflows. These actions include Group wide restructuring programmes where permanent changes are necessary, taking advantage of the UK and worldwide Governments' staff furloughing schemes and other support, salary reductions and deferrals for the Group's Executive Leadership Team ("ELT") and additional unpaid leave for much of the Group's entire workforce, for which the ELT are highly grateful.

2. Basis of preparation (continued)

Going concern (continued)

The Company is currently working to reduce cost as much as possible for the remainder of the year and thereafter. While variable cost of sales and agents' commissions will mostly reduce in line with revenue, where prepayments have been made, refunds or credit notes are being sought. Significant action is also already being taken across the Company and the Group to reduce all fixed cost of sales where possible, marketing expenditure, staff costs, other overheads and discretionary capital expenditure in order to reduce cash outflows during this period of travel restriction and reduced revenue. Throughout the Group, credit notes and rebooking options for travel at a later date, as well as cash refunds (where required in the booking terms) are being offered to customers. Overall, the intention of the mitigating actions taken is to reduce the Group's monthly cash burn rate and ensure sufficient liquidity to continue as a going concern, even under stress tested scenarios, as noted below.

These financial statements are prepared on a going concern basis as Tim Intermediateco Limited has agreed to provide financial support to the Company if it should be required, in order that it can continue to trade and meet its liabilities as they fall due.

As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of the Group to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they have made enquiries to the Group's Board of Directors of the Group's mitigating actions.

Since the outbreak began, the Directors of the Group have fully drawn down on the Group's revolving credit facility, such that, when combined with the Group's customer deposits, at the date of signing these financial statements, the Group's combined cash totalled in excess of £200m. The maturity dates of our Group's £100m term loan and revolving credit facility are unchanged at 15 June 2024 and 15 June 2023 respectively.

On 4 May 2020, the Directors of the Group obtained a debt covenant holiday from the Group's Lenders for a period of four financial quarters commencing on and including 30 June 2020.

The Directors of the Group have prepared scenario plans that assess the profitability and liquidity of the Group under various durations of the travel restrictions currently in force, including a stress test scenario assuming no departures until April 2021.

The expected scenario as at the date of signing these financial statements is that no holidays or trips will be operated until the end of September 2020 and as such no revenues will be recognised in this period, notwithstanding the gradual easing of some of the restrictions to European waterways in early May 2020 which will hopefully allow for some revenues within the Group's Le Boat division in this financial year. Cancellation, cash refund and rebooking rate assumptions have then been applied to each of our Group's divisions/companies, taking into account the nature of the trips sold, customer booking trends and customer terms and conditions of the Group's businesses. Whilst the Company's trips are subject to the Package Travel Regulations ("PTR"), many of the Group's companies fall outside of these regulations and have different terms and conditions in place that enable them to defer and rebook customers in the current circumstances, which reduces refund levels and cash outflows in the immediate term. The Group continues to receive bookings and deposit inflows for departures in the financial year ending September 2021, demonstrating a continued demand for our Group's products.

The stress test scenario includes the assumption that there will be very little in the way of revenue before the end of 31 March 2021, with bookings not picking up until January 2021, with full recovery not expected until the financial year commencing 1 October 2021. The Group's scenario does assume some continued completion of yacht sale transactions and revenue, which is in line with current trends as yacht deliveries continue to be possible.

2. Basis of preparation (continued)

Going concern (continued)

There are numerous assumptions and sensitivities (including in particular the level of re-booking, cancellation and refund rates) that affect the scenario planning and it is possible that the pandemic might develop such that the impact is more severe than currently modelled in the stress test scenario. However, the Directors are confident that the liquidity available at the date of signing these financial statements and the mitigating actions mentioned above are sufficient to fund the Group and therefore also the Company through at least the next 12 months.

Both the Group and the Company have plans in place for a return to growth after the impact of the virus and while there will be a significant impact on trading and results this financial year if travel restrictions continue, the Directors of the Company and the Group are confident that the business has the liquidity and impact mitigation plans such that it will successfully emerge from this pandemic.

As such, the Directors of the Company are confident that the Group can continue as a going concern based upon the liquidity headroom in the scenarios modelled. As such, the Directors of the Company have concluded it is appropriate to prepare these financial statements on a going concern basis.

Functional and presentational currency

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

3. Summary of significant accounting policies

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

New and amended standards adopted by the Company

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of new accounting standards are described below.

(i) IFRS 15 'Revenue from contracts with customers'

The Company adopted IFRS 15 'Revenue from contracts with customers', with a date of initial application of 1 October 2018. As a result, the Company has changed its accounting policies relating to revenue recognition, using the modified retrospective method of adoption. Under this method, the Company elected to apply the Standard to all contracts at the date of initial application. The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings, where material. The comparative information is not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

Revenue under IAS 11 and IAS 18 in relation to the comparative financial year

For the financial year ended 30 September 2018, revenue was recognised in the income statement when the significant risks and rewards of ownership had been transferred to the buyer. Revenue in respect of holidays was recognised on the date of departure. No revenue was recognised if there were significant uncertainties regarding recovery of the consideration due or associated costs. Revenue was stated at the contractual value of services provided. Client monies received at the balance sheet date relating to holidays departing after the year end were deferred and included within trade and other payables.

3. Summary of significant accounting policies (continued)**Revenue recognition policy under IFRS 15**

The Company recognises revenue from the sale of holidays. Revenue is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

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

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

Impact of adoption of IFRS 15

Where the holidays sold falls within a discrete financial year, there is no difference between the previous and the new accounting policy. However, where a holiday spans across the Company's financial year end of 30 September, revenues and the directly related costs will be recognised over the period of the holiday and hence, across two financial periods. The effect of adopting IFRS 15 as at 1 October 2018 did not have a material effect on the opening balance sheet or on the primary statements for the year ended 30 September 2019.

(ii) IFRS 9 Financial instruments

IFRS 9 'Financial instruments' became effective for the Company on 1 October 2018 and replaces the current requirements of IAS 39 'Financial instruments: recognition and measurement'. The main changes introduced by the new standard are new classification and measurement requirements for certain financial assets, a new expected credit loss model for the impairment of financial assets, revisions to the hedge accounting model, and amendments to disclosures. The changes are generally to be applied retrospectively. Given the nature of the financial assets and liabilities currently held by the Company and its accounting policy for hedging arrangements, the changes have not had a material impact on the financial statements.

Intangible assets

Computer software consists of all software that is not an integral part of the related hardware and is stated at cost less accumulated amortisation and impairment losses.

Development costs that are directly attributable to the design and testing of identifiable and unique software platforms controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

3. Summary of significant accounting policies (continued)**Intangible assets (continued)**

Other development expenditures that do not meet these criteria, together with costs associated with maintaining computer software programmes, are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation is charged to the statement of total comprehensive income on a straight-line basis over the estimated useful economic life as follows:

Computer software	20% or 33.3% straight-line
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Software in development is not amortised. Upon completion of development and bringing the software into use, the costs are re-categorised into computer software and amortisation commences.

Property, plant, equipment and depreciation

Property, plant and equipment is stated at historical purchase cost, including any costs attributable to bringing an asset to its working condition for its intended use, less accumulated depreciation.

Depreciation is charged on a straight-line basis to the residual value over the estimated useful lives of the assets which are as follows:

Fixtures, fittings, equipment and skis	20% or 33.3% straight-line
Computer hardware	33.3% or 12.5% straight-line

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses.

Impairment of non-financial assets

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

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss, and at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedged. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

(ii) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The financial assets at amortised cost comprise loans and receivables, and cash in the balance sheet.

3. Summary of significant accounting policies (continued)

Derivative financial instruments and hedging activities

The Company has not applied hedge accounting and all derivatives are measured at fair value through profit and loss.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Changes in the fair value of derivatives are recorded in the statement of total comprehensive income within finance income or finance expense. Changes in the fair value of the hedged asset or liability that are attributable to the hedged risk are also recognised within the statement of total comprehensive income in the category to which they relate.

Trade and other receivables

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

Impairment of financial assets

The Company's financial assets held at amortised cost are assessed at the end of each reporting period for impairment. Impairment losses are incurred only if there is objective evidence of the impairment as a result of one or more events after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the estimated future cash flows of the asset that can be reliably estimated.

Cash and cash equivalents

Cash comprises cash at bank. The Company does not invest in deposits held on call with banks or other short term highly liquid investments.

Financial Liabilities

Financial liabilities disclosed represent the Company's obligation valued at current market rates at year end.

Intercompany

Balances represent the amounts due to, or receivable from Group companies within one year at year end and are held at amortised cost.

Trade and other payables

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

Provisions

A provision is recognised in the balance sheet when the Company has a 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 and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. The increase in the provision due to passage of time is recognised as a financial expense. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

3. Summary of significant accounting policies (continued)

Foreign currency translation

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

Marketing and other direct sales costs

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

Pensions

The Company participates in a Group Defined Contribution Pension Scheme. Pension liabilities are charged to the statement of total comprehensive income as they fall due.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized on a straight-line basis over the term of the lease.

Finance income and finance expense

Finance income recognised in the statement of total comprehensive income mainly comprises bank interest receivable and gains on the fair value of derivative financial instruments. Finance expense recognised in the statement of total comprehensive income mainly comprises loan interest payable, bank interest expense and losses on the fair value of derivative financial instruments.

Current and deferred tax

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

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

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

Called up share capital

Ordinary shares are classified as equity.

4. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of Tim Intermediateco Limited, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of Tim Intermediateco Limited. Details for obtaining the Group financial statements of Tim Intermediateco Limited can be found in Note 24. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS 7 'Financial instruments'	All paragraphs	All disclosure requirements.
IFRS 13 'Fair value measurement'	91 to 99	All disclosure requirements in respect of the valuation techniques and inputs used for the fair value measurement of assets and liabilities.
IAS 1 'Presentation of financial statements'	38	Paragraph 79(a)(iv) of IAS 1; and Paragraph 118(e) of IAS 38 'Intangible assets'.
	38 A to D	Certain additional comparative information.
	10(d) and 111	A statement of cash flows and related information.
	10(f) and 40 A to D	A balance sheet as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group.
IFRS 15 'Revenue from contracts with customers'	The requirements of the second sentence of paragraph 110 and paragraphs 113(a) 114, 115, 118, 119(a) to (c), 120 to 127 and 129	Disaggregation of revenue, explanations of significant changes in contract balances, timing of satisfaction of performance obligations, unsatisfied performance obligations, significant judgements in the application of the standard

5. Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year are disclosed as follows:

a) Dilapidation Provisions

Dilapidation provisions for the leased hotels are based on management's internal assessment of the restoration costs to return the hotels to their original state and condition at the end of the lease period.

b) Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the direct undertaking and its subsidiaries which is dependent upon a variety of factors including prevailing economic conditions and consumer demand for those entities' products.

6. Finance income

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Interest income on loans to Group undertakings	405	277
Total finance income on financial assets not measured at fair value through profit and loss	405	277
Gains on derivative financial instruments	-	125
Total finance income	405	402

7. Finance expense

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Bank interest expense	27	35
Losses on derivative financial instruments	19	-
Total finance expense	46	35

8. Profit on ordinary activities before taxation

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	134	149
Depreciation on property, plant and equipment	82	123
(Gain)/loss on disposal of property, plant and equipment	(5)	5
Operating lease charges	216	274

Auditors' remuneration was as follows:

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Fees for the audit of the Company	36	38

9. Employees and Directors

Employee costs for the Company during the year were:

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Wages and salaries	3,021	2,633
Social security costs	311	291
Other pension costs	119	96
	3,451	3,020

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

	Year ended 30 September 2019 Number	Year ended 30 September 2018 Number
Selling	20	20
Administration and operations	71	62
	91	82

9. Employees and Directors (continued)**Directors' remuneration**

The details of Directors' remuneration are as follows:

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Directors' remuneration	319	277
Pension contributions	17	16
	<u>336</u>	<u>293</u>

Two Directors (2018: 2) were paid remuneration by the Company in the current year in respect of qualifying services. Other Directors received no remuneration for their services to the Company. The remuneration in respect of qualifying services is shown above. The aggregate remuneration of the highest paid Director was £188,426 (2018: £154,687) and Company pension contributions of £12,207 (2018: £11,968) were made to a money purchase scheme on his behalf.

Retirement benefits were accrued for two Directors under a money purchase pension scheme during the year (2018: 2), the cost of which was recharged to the Company by a fellow Group subsidiary.

10. Tax expense

The tax expense can be summarised as follows:

(i) Analysis of tax expense in the year

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Current tax:		
Amounts payable to fellow subsidiaries for group relief	343	380
Adjustment in respect of prior periods	-	283
Total current tax	<u>343</u>	<u>663</u>
Deferred tax:		
Origination and reversal of temporary differences:	(43)	(23)
Adjustment in respect of prior years	-	(168)
Effect of change in tax rate	21	(2)
Total deferred tax (Note 14)	<u>(22)</u>	<u>(193)</u>
Total tax expense in the statement of total comprehensive income	<u>321</u>	<u>470</u>

10. Tax expense (continued)

(ii) Factors affecting the tax expense in the year

The tax expense (2018: expense) for the year ended 30 September 2019 is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are shown in the table below:

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Profit on ordinary activities before taxation	1,577	1,877
Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2018: 19%)	300	357
Effects of:		
- Re-measurement of deferred tax – change in UK tax rate	21	(2)
- Adjustment in respect of prior periods	-	115
Total tax expense in the statement of total comprehensive income	321	470

(iii) Factors affecting the future tax charge

The rate of taxation is expected to follow the standard rate of UK corporate tax in future periods.

11. Intangible assets

	Software in development £'000	Computer software £'000	Total £'000
Cost:			
At 1 October 2018	-	1,323	1,323
Additions	3	20	23
At 30 September 2019	3	1,343	1,346
Accumulated amortisation and impairment:			
At 1 October 2018	-	940	940
Amortisation charge for the year	-	134	134
At 30 September 2019	-	1,074	1,074
Net book value:			
At 30 September 2019	3	269	272
At 30 September 2018	-	383	383

12. Property, plant and equipment

	Computer hardware £'000	Fixtures, fittings, equipment and skis £'000	Total £'000
Cost:			
At 1 October 2018	127	637	764
Additions	70	66	136
Disposals	(23)	(126)	(149)
At 30 September 2019	174	577	751
Accumulated depreciation:			
At 1 October 2018	106	471	577
Charge for the year	16	66	82
Disposals	(23)	(126)	(149)
At 30 September 2019	99	411	510
Net book value:			
At 30 September 2019	75	166	241
At 30 September 2018	21	166	187

13. Investments

Investment in
Subsidiary undertakings
£'000

At 30 September 2018 and 2019

4,796

List of investments at 30 September 2019 and 2018:

Name of Undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
CHS Tour Services Limited	UK	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD	GBP1.00 Ordinary shares	100	100
Francotel Limited	UK	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD	GBP 1.00 Ordinary shares	100	100
Travelbound European Tours Limited	UK	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD	GBP1.00 Ordinary shares	100	100
Le Piolet SCI	France	Les Menuires, 73440, Les Belleville.	EUR 15.2449 Ordinary shares	0.1	100
Molay Travel SCI	France	Le Chateau, 14330, Le Molay Littry.	EUR 15.2449 Ordinary shares	-	100
Skibound France SARL	France	Hotel Le Mont Charvin, 73590 Notre Dame de Bellecombe.	EUR 15.2449 Ordinary shares	100	100
Molay Travel SARL	France	Le Chateau, 14330, Le Molay Littry.	EUR 15.2449 Ordinary shares	100	100

The Directors believe that the book value of all existing investments is supported by the higher of underlying net assets or their recoverable value.

14. Deferred tax assets

	30 September 2019 £'000	30 September 2018 £'000
Amortisation in excess of capital allowances	224	191
Financial instruments	(25)	(31)
Other short-term temporary differences	169	187
	368	347
The amount of deferred tax expected to reverse within one year is as follows:	30 September 2019 £'000	30 September 2018 £'000
Deferred tax asset due within 12 months	169	187
Deferred tax liabilities due within 12 months	(25)	(31)
	(144)	156

Movements in deferred taxation during the current year are analysed as follows:

Deferred tax assets	Amortisation in excess of capital allowances £'000	Financial instruments £'000	Other short-term timing differences £'000	Total £'000
At 1 October 2017	150	(7)	11	154
Credited/(charged) to the statement of total comprehensive income	41	(24)	176	193
At 30 September 2018	191	(31)	187	347
Credited/(charged) to the statement of total comprehensive income	33	6	(18)	21
At 30 September 2019	224	(25)	169	368

Amortisation in excess of capital allowances principally relates to timing differences in respect of intangible assets. Financial instruments temporary differences arise in respect of financial instruments accounted for under IAS 39. Other short-term timing differences relate to provisions that are only deductible when paid. There are no unrecognised deferred tax assets nor un-provided deferred tax liabilities at either 30 September 2019 or 30 September 2018.

15. Derivative financial instruments

	30 September 2019		30 September 2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Forward foreign exchange contracts - cash flow hedges	255	(111)	198	(35)
Total	255	(111)	198	(35)

15. Derivative financial instruments (continued)**Fair value measurements**

Derivatives are valued in the market using discounted cash flow techniques. These techniques incorporate observable prices in active markets, such as interest rates and foreign currency exchange rates. These market-based inputs are used in the discounted cash flow calculation incorporating the instrument's term, notional amount, volatility and discount rate.

Forward foreign exchange contracts are used by the Company to mitigate against the risk of adverse foreign exchange losses on future expected payments to overseas hoteliers and other non-UK based suppliers.

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The amount recognised in the statement of total comprehensive income that arises from fair value hedges amounts to a loss of £19,000 (2018: profit of £125,000).

16. Trade and other receivables

	30 September 2019 £'000	30 September 2018 £'000
Amounts due from Group undertakings	11,396	12,514
Deposits for accommodation and other services	957	768
Other debtors	149	88
Prepayments and accrued income	819	347
	13,321	13,717

Amounts due from Group undertakings are unsecured, interest free and repayable on demand. Except for a loan to Travelopia Holdings limited which accrues interest at a rate of 5.333%, as set by Group, the amount due as at 30 September 2019 was £7.5m (2018: 7.6m).

17. Trade and other payables: amounts falling due within one year

	30 September 2019 Current £'000	30 September 2018 Current £'000
Trade payables	372	811
Amounts due to Group undertakings	3,969	2,426
Other payables	64	69
Accruals and deferred income	10,562	10,318
	14,967	13,624

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

18. Trade and other payables: amounts falling due over one year

	30 September 2019 £'000	30 September 2018 £'000
Accruals and deferred income	224	-
	224	-

19. Provisions for liabilities

Analysis of the movements during the year:

	Dilapidations £'000
At 1 October 2018	983
Additional dilapidation provision charged to the income statement	13
At 30 September 2019	996

Dilapidations

Hotel dilapidation costs are expected to be incurred after more than one year.

20. Operating lease commitments

The Company's total obligations under non-cancellable operating lease contracts are payable as follows:

	30 September 2019 £'000	30 September 2018 £'000
No later than 1 year	154	154
Later than 1 year and no later than 5 years	309	463
	463	617

Operating lease commitments are primarily in respect of a property located in Brighton.

21. Called up share capital

	30 September 2019 £'000	30 September 2018 £'000
Issued and fully paid		
22,250,003 (2018: 22,250,003) ordinary shares of £1.00 each	22,250	22,250

22. Reserves

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

Reserve	Description and purpose
Merger	Amounts arising on the merger of CHS Tour Services GmbH on 1 October 2015.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

23. Contingent liabilities

The Company entered into a cross guarantee between certain Group companies with Barclays Bank PLC in respect of the Group's overdraft facility for its UK Sterling denominated bank accounts. As at 30 September 2019, the total liability for which the Company is a cross guarantor amounted to £3.7m (2018: £nil).

24. Post balance sheet events

Subsequent to the year end and up to the date of signing these financial statements, the rapid global escalation of the Covid-19 coronavirus from late February 2020 resulting in significant global travel restrictions, has impacted the Company's, the Group's and our suppliers' ability to fully deliver and operate its core products and as a result, the Company is now forecasting nothing in the way of revenue for the second half of this financial year, other than cancellation revenue, unless travel restrictions start to be lifted.

Whether the Company is able to operate further holidays in the remainder of the year will be dependent on a number of factors, including government travel restrictions in the UK and European countries, customers willingness to travel, and the ability of suppliers to provide the required services. The financial impact of this pandemic, the mitigating cost reduction actions the Company has taken to reduce losses and cash outflows is described in note 2.

25. Ultimate parent company and controlling party

The ultimate controlling party of the Company is KKR & Co. Inc, on behalf of funds under its management. The immediate parent company is Travelopia Holdings Limited.

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