

Ski Bound Limited
Reports of the Directors and financial statements
for the year ended 30 September 2021
Company number 01873956



Ski Bound Limited
Reports of the Directors for the year ended 30 September 2021

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 2021. The Company is a wholly owned subsidiary within the Travelopia Group of companies ("the Group"), headed in the UK by Travelopia Group Holdings Limited.

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 loss on ordinary activities before taxation for the year ended 30 September 2021 was £1,222,000 (2020: £146,000). No dividends were paid during the year (2020: £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 2021 No./£'000	Year ended 30 September 2020 No./£'000
Number of passengers	62	28,397
Revenue	1,576	22,052
Average revenue per passenger	25.419	0.777
Loss on ordinary activities before taxation	(1,222)	(146)
Net assets	10,610	12,227

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.

Company operations continued to be impacted throughout the financial year to 30 September 2021 by the Covid-19 coronavirus pandemic. The Company's Skibound brand did not operate any trips during the financial period and its Travelbound brand didn't operate any trips between 1 October 2020 to 30 June 2021. Following the easing of some Covid restrictions in the United Kingdom the Travelbound brand operated two small UK trips in July and August 2021, however due to the long booking cycles of the trips, further departures did not take place during the financial year. As a consequence, revenue for the year of £1,576,000 (2020: £22,052,000) was down 93% and passenger numbers were down 100%, with gross profit for the year of £1,236,000 (2020: £2,848,000) was down 57% as a result.

To help mitigate the reduction in gross profit, the Company reduced administrative costs wherever possible, and made use of the UK government's Coronavirus Job Retention Scheme. Administrative expenses and other operating income were reduced by 44% to £2,045,000 (2020: £3,633,000). As a result of the lower volumes and continued impact of the Covid-19 pandemic, the Company made a loss for the year before tax of £1,222,000 (2020: £146,000).

As a result of the pandemic trading conditions in Europe and long haul remain extremely challenging and at the date of signing these accounts the Company does not expect any bookings to depart during the financial year ending 30 September 2021.

Funding, liquidity, post balance sheet events and going concern

At 30 September 2021, the Company has net assets of £10,610,000 (2020: £12,227,000) and net current assets of £6,714,000 (2020: £8,269,000).

As part of their assessment of going concern, the Company's Directors have considered its funding and liquidity position together with cash flow forecasts of the Company for the period from the date of approval of these financial statements through to 31 July 2023 to determine the appropriateness of preparing the financial statements on a going concern basis. In making this assessment, the Directors have had regard for the fact that the Company is party to a group cash pooling facility whereby the Company's Sterling, Euro and US Dollar cash balances are swept to nil daily into a bank account of Travelopia Adventure Limited ('TAL', the Company's intermediate parent), which acts as the cash pool header company.

Ski Bound Limited**Reports of the Directors for the year ended 30 September 2021 (continued)****STRATEGIC REPORT (continued)****Funding, liquidity, post balance sheet events and going concern (continued)**

In accordance with a Deed of Undertaking between the Company and the Civil Aviation Authority ('CAA'), to maintain its ATOL Licence for selling packaged travel, the Company forms part of a ring-fenced group of subsidiaries within the Travelopia Group and headed by Travelopia Adventure Limited ('the TAL Group') that is required to comply with certain regulatory requirements. One of these requirements is a financial covenant for this ring-fenced group which requires the TAL Group, in aggregate, to maintain throughout the financial year, at least 70% of the value of customer monies in cash ('the cash to client money ratio'). Compliance with this test is monitored and managed at a Travelopia Group level. Meeting this covenant test should not only ensure that the Company maintains its ATOL Licence, but that the Company and the TAL Group have sufficient cash to meet their obligations as they fall due.

In view of the Company's cash being pooled with other ring-fenced group subsidiaries and the need to meet the cash to client ratio at a TAL Group level, the Directors have made enquiries of TAL Group's directors as part of its going concern assessment.

The cash to client money ratio is forecasted and monitored each month. Since its legal formation in January 2021, the TAL Group has met this covenant test throughout the financial year ended 30 September 2021. In doing so, companies within the TAL Group have raised finance by disposing of non-core assets, had loans owing to the TAL Group settled, raised debt finance, whilst TAL has issued shares to its parent company during the financial year. Subsequent to the year end, TAL issued a further eight million shares to its parent company, Travelopia Group Holdings Limited ('TGHL'), raising a further £8.0m of additional liquidity.

The Company and TAL Group continue to prepare 13-week rolling cashflow forecasts, together with monthly forecasts for the financial year ending 30 September 2022 ('FY22'). The Travelopia Group has also agreed its Budget for the financial year ended 30 September 2022 ('FY22 Budget') and Strategic Plan for the Company and the TAL Group for the financial period to September 2024 with its ultimate shareholders. The latest FY22 forecast and Strategic Plan form the basis of the Director's going concern assessment, with the term used in the assessment being the period to 30 July 2023.

The forecast used in the Directors' assessments assumes some recovery of global travel in FY22 with a further recovery in FY23 and beyond. As a result of the actions taken in the last two years to reduce costs and stronger than expected bookings and rebookings being seen for FY22 and beyond, the TAL Group started FY22 in a strong position and ahead of budgeted expectations. The forecast assumes a slow return to travel, with some recovery assumed in the second half ('H2') of FY22 with the TAL Group's cash low point in the assessment period being expected in the second quarter of FY22. As continued disruption was assumed over the first half of the financial year, neither the Omicron variant nor the Russian/Ukraine war has materially impacted the FY22 outlook as at the date of signing these financial statements.

The global roll out of Covid-19 vaccines and recent commencement of relaxation of some global travel restrictions have improved consumer confidence and while the Omicron variant has led to some set back over recent months, the Directors consider the current outlook to be positive. Whilst there continues to be some uncertainty around the duration and extent of global travel restrictions, the Directors have been prudent in their planning assumptions. The FY22 forecast assumes that there will be a delayed re-opening of long-haul travel. The Directors anticipate that, on the basis of its latest forecasts, the TAL Group will require additional funding in the latter part of the first quarter of FY23.

In assessing going concern, the Directors have sensitised the FY22 forecast to model and assess the potential impact of a further delay in the recovery of travel. To do so, severe but plausible sensitivities have been applied to each division, taking into account the nature of the trips and the likelihood that trips will be delayed or cancelled. Under this scenario, additional funding would be required in the earlier part of the first quarter of FY23.

Ski Bound Limited
Reports of the Directors for the year ended 30 September 2021 (continued)

STRATEGIC REPORT (continued)

Funding, liquidity, post balance sheet events, going concern and future developments (continued)

Accordingly, the Directors have obtained a letter of support from the Directors of TGH to confirm that they intend to provide sufficient liquidity, should it be necessary, under both base and sensitised forecasts. They have also obtained an understanding of the forecast liquidity position and funding requirements of the wider Travelopia Group over the assessment period. With an expectation that additional funding will be received should it be required, the Directors have a reasonable expectation that the TAL Group will have sufficient financial resources to meet the CAA's cash to client money ratio covenant test and hence the Company can continue in existence for the foreseeable future. Accordingly, they have concluded that it is appropriate to prepare these financial statements on a going concern basis and therefore do not include any adjustments that would result if the Company were unable to continue as a going concern.

To effect an internal Group restructure, on 11 January 2021, the Company was sold by its former parent company, Travelopia Holdings Limited, to Experiential Student Travel Group Limited, another intermediate parent Company within the Travelopia Group.

Future developments

At the date of signing the accounts the Company has started operating bookings again as school and global travel markets slowly recover from the disruption caused by the COVID-19 pandemic. The Company is continuing with its cost saving measures whilst focused on rebuilding towards pre pandemic 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

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

The Covid-19 pandemic continues to impact the travel industry as fluctuating case rates and differing global vaccination and testing requirements dampen demand. The Directors continue to monitor developments closely so that swift action can be taken to update policies and procedures in response to the ever-changing situation, with a view to restarting operations at meaningful levels in each business as soon as it is possible to do so.

Set against the evolving macroeconomic global environment and the Covid-19 global pandemic, the principal risks and uncertainties faced by the Company are:

- **Liquidity and cashflow risk.** The current global travel restrictions continue to impact the Company and TAL Group's ability to deliver much of its core product and generate profitability at pre-pandemic levels. Whilst the exact duration of the travel restrictions is unknown, the current trajectory is positive with a recent relaxation of restrictions in one of its key markets, the UK, and the Directors anticipate further easing over the coming financial year. With shareholder support expected to be available, should it be required and fewer travel restrictions in the future, the Directors are confident the Company will have sufficient liquidity for at least the next twelve months from the date of signing these financial statements.
- **Health and Safety.** Ensuring the health and safety of guests and employees is of paramount importance. The Company is committed to ensuring the health and safety of all of its guests and employees, with health and safety being given the highest profile throughout the organisation and instilled within its businesses' culture. Currently, the immediate risk as operations restart is the risk of transmission of Covid-19 to its customers and employees. The Company strives to mitigate this where it can with policies and procedures in place to reduce transmission. Strict policies and procedures also exist to manage and where possible, mitigate other health and safety risks that its customers may be exposed to while on holiday with the Company. Health and safety incidents could result in reputational damage and financial consequences for the Company and/or one of its brands.

Ski Bound Limited**Reports of the Directors for the year ended 30 September 2021 (continued)**

STRATEGIC REPORT (continued)**Principal risks and uncertainties (continued)**

- **Destination disruption risk.** Tour operators are exposed to the inherent risk of domestic and international incidents affecting operations at those destinations. This includes not only the global travel restrictions caused by Covid-19, but also disruption caused by outbreaks of other diseases, war, political instability and terrorism. Weather events that are exacerbated by climate change may increase the level of disruption in destinations. All of these events, as we saw at the onset of the global pandemic, can cause significant operational disruption and costs to our business. We follow the UK Government's Foreign Office advice in our source markets to minimise the exposure of our customers.
- **Market risk, including customer demand.** The Company relies heavily on the demand from its UK customer base to take experiential and tailor-made holidays. It monitors and assesses its customers' appetite for travel, in particular from continuously changing travel restrictions and vaccination requirements in source and destination markets resulting from the pandemic and increasing prices from higher cost inputs. The Directors monitor prices, costs and booking levels to try and maximise customer demand and financial return.
- **Climate change.** The Directors continue to monitor global climate change developments, with Corporate Sustainability representation at Group level. In the forthcoming year, the Company will be reporting internally on its carbon emissions on a quarterly basis. The risks from climate change to the Company include changing consumer preferences, increased government regulations and operational costs resulting in reduced passenger volume and/or profit margins. Currently, the Directors do not consider there to be any significant risk to operations or asset valuations arising from climate change in the foreseeable future, but will continue to monitor this.
- **Legal & regulatory compliance.** The Company operates across a range of geographies, which exposes us to a range of legal, tax and other regulatory laws, which must be complied with. Failure to comply may result in fines or sanctions from regulatory bodies, such as the Civil Aviation Authority in the UK, which require us to comply with their regulations. Failure to do so could result in the removal of the licence.
- **Cyber security.** We are responsible for protecting the confidentiality, integrity and availability of the data we have for our guests, employees and suppliers. Failure to ensure we have the appropriate level of information security controls increases the risk that an information security breach is not prevented, detected or adequately remediated. This could result in reputational damage, remediation costs and financial penalties for a breach of data protection legislation. We continuously enhance our information security posture to mitigate the risk.
- **Technology risk.** Online systems, websites and platforms form a significant part of the Company's ability to build, develop and sell its products. This would be temporarily disrupted by a technology failure or slowdown. Our businesses continue to upgrade and/or overhaul existing technologies and invest in new technologies to improve their resilience and to enhance the Company's products and services. Failure to successfully implement new IT systems may impact our competitiveness, quality of customer experience and operational efficiency. This could be detrimental to the Company's profitability, in terms of lost bookings, cash outflows and asset impairments.
- **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 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.

Ski Bound Limited
Reports of the Directors for the year ended 30 September 2021 (continued)


STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Financial instrument risks

- **Foreign currency exchange risk.** The Company operates internationally and is exposed to foreign currency exchange risk on transactions denominated in a currency other than UK Sterling. The two main currencies that the Company is exposed to are the Euro and US Dollars. A fall in Sterling compared to these two currencies would cause our UK companies selling to those destinations to see an increase in their underlying cost base, if not already hedged against. The Company enters into derivative financial instrument contracts to forward purchase their foreign currency requirements to mitigate the risk of foreign currency losses.
- **Credit risk.** The Company and Group have significant cash and cash equivalent balances throughout the year and the majority of this is held with one global banking group. Credit risk in this respect refers to the risk that this banking group were to default on its contractual obligations resulting in financial loss to the wider Group and Company. The Group therefore uses a highly reputable and financially strong banking group with which to deposit its material cash balances. The Company sells its tours directly to the end customers, credit risk is considered to be limited as our end customers are required to pay in full ahead of departure.

On behalf of the Board

DocuSigned by:

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N K Rust
Director

Company Number 01873956

Dated: 28 March 2022

Ski Bound Limited
Reports of the Directors for the year ended 30 September 2021 (continued)

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 G Robinson
N K Rust

Directors' insurance

Throughout the financial year, the ultimate parent company, Travelopia Group 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 and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Ski Bound Limited
Reports of the Directors for the year ended 30 September 2021 (continued)

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.

Carbon emissions statement

The Company is exempt from the requirements to disclose its greenhouse gas emissions and energy consumption as required by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as disclosures have been included and disclosed within the Group financial statements of Travelopia Group Holdings Limited. Details for obtaining the Group financial statements of Travelopia Group Holdings Limited can be found in Note 27.

On behalf of the Board

DocuSigned by:

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N K Rust
Director

Company Number 01873956

Dated: 28 March 2022

Ski Bound Limited
Independent auditors' report to the members of Ski Bound Limited

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SKI BOUND LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its loss 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.

We have audited the financial statements of Ski Bound Limited ("the Company") for the year ended 30 September 2021 which comprise the Statement of total comprehensive income, Balance sheet, 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 FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern¹

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Ski Bound Limited

Independent auditors' report to the members of Ski Bound Limited (continued)

Other Companies Act 2006 reporting

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

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice, tax legislation and UK package travel consumer protection requirements.

Ski Bound Limited

Independent auditors' report to the members of Ski Bound Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

- Making enquiries of management of the policies and procedures relating to:
 - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Reviewing minutes of the board of directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- We identified potential for fraud in the following areas and performed the following procedures:
 - The existence of revenue. We reviewed a sample of transactions recorded in revenue during the year and confirmed that the trip or cancellation had occurred during the year.
 - Management override of internal controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements).

Audit procedures performed included:

- challenging assumptions made by management in their significant accounting estimates; and
- identifying and testing a sample of journal entries with characteristics of interest, to assess whether the journal was appropriate and whether there was any evidence of Management override internal controls.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on 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.

DocuSigned by:

Charles Morelli

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Charles Morelli (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

28 March 2022

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 2021**

		Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
	Note		
Revenue	6	1,576	22,052
Cost of sales		(340)	(19,204)
Gross profit		1,236	2,848
Administrative expenses		(3,445)	(4,068)
Other Income	10	981	110
Other income – Government grants	11	419	325
Operating loss		(809)	(785)
Finance income	7	-	681
Finance expense	8	(413)	(42)
Loss on ordinary activities before taxation	9	(1,222)	(146)
Tax (expense)/credit	12	(395)	70
Loss for the financial year attributable to owners of the parent		(1,617)	(76)
Total comprehensive loss for the year attributable to owners of the parent		(1,617)	(76)

The notes on pages 13 to 30 form part of these financial statements.

Ski Bound Limited
Balance sheet as at 30 September 2021

		30 September 2021 £'000	30 September 2020 £'000
	Note		
Non-current assets			
Intangible assets	13	93	207
Property, plant and equipment	14	70	155
Right of use assets	15	-	291
Investments in subsidiaries	16	4,999	4,796
Deferred tax assets	17	-	395
		5,162	5,844
Current assets			
Trade and other receivables	19	1,669	11,517
Derivative financial assets	18	37	443
Cash and cash equivalents	20	15,407	8,308
		17,113	20,268
Total assets		22,275	26,112
Current liabilities			
Trade and other payables: amounts falling due within one year	21	(10,227)	(11,532)
Lease liabilities	15	(152)	(145)
Income tax – group relief payable		-	(299)
Derivative financial liabilities	18	(20)	(23)
		(10,399)	(11,999)
Non-current liabilities			
Trade and other payables: amounts falling due over one year	22	-	(275)
Lease liabilities	15	-	(152)
Provisions for liabilities	23	(1,266)	(1,459)
		(1,266)	(1,886)
Total liabilities		(11,665)	(13,885)
Net assets		10,610	12,227
Equity			
Called up share capital	24	22,250	22,250
Merger reserve	25	2,187	2,187
Profit and loss account	25	(13,827)	(12,210)
Total equity		10,610	12,227

The notes on pages 13 to 30 form part of these financial statements.

The financial statements on pages 10 to 30 were approved and authorised for issue by the Board of Directors on 28 March 2022 and signed on its behalf by:

DocuSigned by:

Neil Rust
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N K Rust

Director

Company number 01873956

Ski Bound Limited**Statement of changes in equity for the year ended 30 September 2021**

	Called up share capital £'000	Merger reserve £'000	Profit and loss account £'000	Total equity £'000
At 30 September 2019	22,250	2,187	(12,134)	12,303
Total comprehensive loss for the year	-	-	(76)	(76)
At 30 September 2020	22,250	2,187	(12,210)	12,227
Total comprehensive loss for the year	-	-	(1,617)	(1,617)
At 30 September 2021	22,250	2,187	(13,827)	10,610

The notes on pages 13 to 30 form part of these financial statements.

Ski Bound Limited

Notes to the financial statements for the year ended 30 September 2021

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 Standard ("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 2021, the Company has net assets of £10,610,000 (2020: £12,227,000) and net current assets of £6,714,000 (2020: £8,269,000).

As part of their assessment of going concern, the Company's Directors have considered its funding and liquidity position together with cash flow forecasts of the Company for the period from the date of approval of these financial statements through to 31 July 2023 to determine the appropriateness of preparing the financial statements on a going concern basis. In making this assessment, the Directors have had regard for the fact that the Company is party to a group cash pooling facility whereby the Company's Sterling, Euro and US Dollar cash balances are swept to nil daily into a bank account of Travelopia Adventure Limited ('TAL', the Company's intermediate parent), which acts as the cash pool header company.

In accordance with a Deed of Undertaking between the Company and the Civil Aviation Authority ('CAA'), to maintain its ATOL Licence for selling packaged travel, the Company forms part of a ring-fenced group of subsidiaries within the Travelopia Group and headed by Travelopia Adventure Limited ('the TAL Group') that is required to comply with certain regulatory requirements. One of these requirements is a financial covenant for this ring-fenced group which requires the TAL Group, in aggregate, to maintain throughout the financial year, at least 70% of the value of customer monies in cash ('the cash to client money ratio'). Compliance with this test is monitored and managed at a Travelopia Group level. Meeting this covenant test should not only ensure that the Company maintains its ATOL Licence, but that the Company and the TAL Group have sufficient cash to meet their obligations as they fall due.

In view of the Company's cash being pooled with other ring-fenced group subsidiaries and the need to meet the cash to client ratio at a TAL Group level, the Directors have made enquiries of TAL Group's directors as part of its going concern assessment.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)**

2. Basis of preparation (continued)**Going concern (continued)**

The cash to client money ratio is forecasted and monitored each month. Since its legal formation in January 2021, the TAL Group has met this covenant test throughout the financial year ended 30 September 2021. In doing so, companies within the TAL Group have raised finance by disposing of non-core assets, had loans owing to the TAL Group settled, raised debt finance, whilst TAL has issued shares to its parent company during the financial year. Subsequent to the year end, TAL issued a further eight million shares to its parent company, Travelopia Group Holdings Limited ('TGHL'), raising a further £8.0m of additional liquidity.

The Company and TAL Group continue to prepare 13-week rolling cashflow forecasts, together with monthly forecasts for the financial year ending 30 September 2022 ('FY22'). The Travelopia Group has also agreed its Budget for the financial year ended 30 September 2022 ('FY22 Budget') and Strategic Plan for the Company and the TAL Group for the financial period to September 2024 with its ultimate shareholders. The latest FY22 forecast and Strategic Plan form the basis of the Director's going concern assessment, with the term used in the assessment being the period to 30 July 2023.

The forecast used in the Directors' assessments assumes some recovery of global travel in FY22 with a further recovery in FY23 and beyond. As a result of the actions taken in the last two years to reduce costs and stronger than expected bookings and rebookings being seen for FY22 and beyond, the TAL Group started FY22 in a strong position and ahead of budgeted expectations. The forecast assumes a slow return to travel, with some recovery assumed in the second half ('H2') of FY22 with the TAL Group's cash low point in the assessment period being expected in the second quarter of FY22. As continued disruption was assumed over the first half of the financial year, neither the Omicron variant nor the Russian/Ukraine war has materially impacted the FY22 outlook as at the date of signing these financial statements.

The global roll out of Covid-19 vaccines and recent commencement of relaxation of some global travel restrictions have improved consumer confidence and while the Omicron variant has led to some set back over recent months, the Directors consider the current outlook to be positive. Whilst there continues to be some uncertainty around the duration and extent of global travel restrictions, the Directors have been prudent in their planning assumptions. The FY22 forecast assumes that there will be a delayed re-opening of long-haul travel. The Directors anticipate that, on the basis of its latest forecasts, the TAL Group will require additional funding in the latter part of the first quarter of FY23.

In assessing going concern, the Directors have sensitised the FY22 forecast to model and assess the potential impact of a further delay in the recovery of travel. To do so, severe but plausible sensitivities have been applied to each division, taking into account the nature of the trips and the likelihood that trips will be delayed or cancelled. Under this scenario, additional funding would be required in the earlier part of the first quarter of FY23.

Accordingly, the Directors have obtained a letter of support from the Directors of TGHL to confirm that they intend to provide sufficient liquidity, should it be necessary, under both base and sensitised forecasts. They have also obtained an understanding of the forecast liquidity position and funding requirements of the wider Travelopia Group over the assessment period. With an expectation that additional funding will be received should it be required, the Directors have a reasonable expectation that the TAL Group will have sufficient financial resources to meet the CAA's cash to client money ratio covenant test and hence the Company can continue in existence for the foreseeable future. Accordingly, they have concluded that it is appropriate to prepare these financial statements on a going concern basis and therefore do not include any adjustments that would result if the Company were unable to continue as a going concern.

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.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****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 standards, amendments and interpretations

The Company has applied the following amendments to existing standards as follows:

Amendments to IFRS 16 'Leases' – COVID-19 related rent concessions

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the pandemic are modifications and allows lessees to account for such rent concessions as if they were variable lease payments and not lease modifications. This amendment has had no impact on the Company as it has not applied this practical expedient in the preceding financial year.

Amendments to IAS 1 and IAS 8 on the definition of material

The amendments: i) use a consistent definition of materiality throughout IFRSs; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. As this amendment is providing clarification of a definition intended to improve disclosures, this has not impacted the Company's results or disclosures in either financial year.

Other new amendments

The amendments to IFRS 3 – Definition of a business and to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform – Phase 1 have not had any impact on the Company's results in the current or previous financial year.

Revenue

The Company recognises revenue from the sale of 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.

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.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****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.

Leases

On entering each new lease contract, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

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

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right of use asset and a lease liability on the balance sheet. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date. Right of use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Directors also assess the right of use assets for impairment when such indicators exist. At the commencement date, the lease liability is measured at the present value of the unpaid lease payments at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments. Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

Within the consolidated balance sheet, right-of-use assets have been presented separately from property, plant and equipment, whilst lease liabilities have also been presented separately.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)**

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

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.

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.

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 'general 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.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)**

3. Summary of significant accounting policies (continued)**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. Cash and cash equivalents include cash balances that are held in the Group's cash pooling header company where this cash is immediately available for use and for which there is no restriction over its access.

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 Travelopia 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. Client monies at the balance sheet date relating to holidays commencing and flights departing after the year end are included as payments received on account within trade and other payables. 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.

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.

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.

Government grants

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

Ski Bound Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

3. Summary of significant accounting policies (continued)

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.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****4. Reduced disclosures permitted by FRS 101**

The Company meets the definition of a qualifying entity of Travelopia Adventure Limited, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of Travelopia Adventure Limited. Details for obtaining the Group financial statements of Travelopia Adventure Limited can be found in Note 27. 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© 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.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****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.

c) Cash and cash equivalents

During the financial year ended 30 September 2021, the Company became party to the Group's zero balancing cash pooling facilities whereby the Company's Sterling, Euro and US Dollar cash and overdraft balances are swept to nil daily into a bank account of Travelopia Adventure Limited, which acts as the cash pool header company. At 30 September 2021, the cash held in the pooled account of Travelopia Adventure Limited was £15,321,000 (2020: £nil). Judgement has been required to determine whether these balances meet the definition of cash and cash equivalents, or whether the balances should be presented as amounts due from a fellow Group subsidiary. The Directors consider that in view of the nature of the pooling facilities and the immediate and unrestricted access to these balances, the definition of cash and cash equivalents has been met.

d) Significant judgement required in respect of recoverability of deferred tax assets

At 30 September 2021, the Company has recognised deferred tax assets on deductible temporary differences of £nil (2020: £395,000), as the Directors are not sufficiently certain of the extent and timing of their utilisation in the future. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Had there been more certainty over the timing and recoverability of these assets, then full or partial recognition of these assets totalling £856,000 would have occurred.

6. Revenue

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
United Kingdom and Ireland	125	432
Rest of Europe	1,079	16,044
Rest of World	372	5,576
	<u>1,576</u>	<u>22,052</u>

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****7. Finance income**

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Interest income on loans to Group undertakings	-	405
Total finance income on financial assets not measured at fair value through profit and loss	-	405
Gains on derivative financial instruments (note 18)	-	276
Total finance income	-	681

8. Finance expense

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Bank interest expense	1	27
Interest expense on lease liabilities (note 15)	9	15
Losses on derivative financial instruments (note 18)	403	-
Total finance expense	413	42

9. Loss on ordinary activities before taxation

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	137	124
Depreciation on property, plant and equipment	85	112
Gain on disposal of property, plant and equipment	-	(16)

10. Other income

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Cost recoveries	723	-
Foreign exchange gain on revaluation	258	110
	981	110

Cost recoveries are for costs incurred for scheduled departures in the year end 30 September 2020 that cancelled because of the pandemic. These costs have subsequently been recovered in the year ended 30 September 2021.

11. Employees and Directors

Employee costs for the Company during the year were:

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Wages and salaries	1,912	2,281
Social security costs	192	255
Other pension costs	84	106
	2,188	2,642

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****11. Employees and Directors (continued)**

	Year ended 30 September 2021	Year ended 30 September 2020
In respect of the employee costs above, the associated Government Grant furlough income was:	419	325
	<u>419</u>	<u>325</u>

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

	Year ended 30 September 2021 Number	Year ended 30 September 2020 Number
Selling	11	20
Administration and operations	33	58
	<u>44</u>	<u>78</u>

Directors' remuneration

The details of Directors' remuneration are as follows:

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Directors' remuneration	261	336
Pension contributions	18	18
	<u>279</u>	<u>354</u>

Two Directors (2020: 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 £167,794 (2020: £209,101) and Company pension contributions of £13,539 (2020: £13,204) 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 (2020: 2), the cost of which was recharged to the Company by a fellow Group subsidiary.

12. Tax expense/(credit)

The tax expense/(credit) can be summarised as follows:

(i) Analysis of tax expense/(credit) in the year

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Current tax:		
Amounts receivable to fellow subsidiaries for group relief	-	(43)
Total current tax	<u>-</u>	<u>(43)</u>
Deferred tax:		
Current year	419	16
Adjustment in respect of prior years	(24)	-
Effect of change in tax rate	-	(43)
Total deferred tax (note 17)	<u>395</u>	<u>(27)</u>
Total tax expense/(credit) in the statement of total comprehensive income	<u>395</u>	<u>(70)</u>

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****12. Tax expense/(credit) (continued)****(ii) Factors affecting the tax expense/(credit) in the year**

The tax expense (2020: credit) for the year ended 30 September 2021 is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are shown in the table below:

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Loss on ordinary activities before taxation	(1,222)	(146)
Loss on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2020: 19%)	(232)	(27)
Effects of:		
- Adjustments in respect of prior periods	(24)	-
- Re-measurement of deferred tax – change in UK tax rate	-	(43)
- Temporary differences not recognised as deferred tax	651	-
Total tax expense/(credit) in the statement of total comprehensive income	395	(70)

(iii) Factors affecting the future tax charge

In May 2021, the UK Government's proposed increase in the main rate of UK corporation tax from 19% to 25% from 1 April 2023 was substantively enacted. As a result, deferred tax assets and liabilities have been calculated at the new rate.

13. Intangible assets

	Computer software £'000	Total £'000
Cost:		
At 1 October 2020	1,308	1,308
Additions	23	23
At 30 September 2021	1,331	1,331
Accumulated amortisation and impairment:		
At 1 October 2020	1,101	1,101
Amortisation charge for the year	137	137
At 30 September 2021	1,238	1,238
Net book value:		
At 30 September 2021	93	93
At 30 September 2020	207	207

Ski Bound Limited
Notes to the financial statements for the year ended 30 September 2021 (continued)

14. Property, plant and equipment

	Computer hardware £'000	Fixtures, fittings, equipment and skis £'000	Total £'000
Cost:			
At 1 October 2020 and 30 September 2021	127	507	634
Accumulated depreciation:			
At 1 October 2020	68	411	479
Charge for the year	29	56	85
At 30 September 2021	97	467	564
Net book value:			
At 30 September 2021	30	40	70
At 30 September 2020	59	96	155

15. Leases

The Company has a lease contract with respect to a property in Brighton. The amounts recognised in the financial statements in relation to this lease is as follows:

(a) Carrying amount of right of use asset

	Land and buildings £'000
Cost:	
At 30 September 2020 and 2021	436
Accumulated depreciation:	
At 30 September 2020	(145)
Provided in the financial year	(145)
Impairment loss	(146)
At 30 September 2021	(436)
Net book value	
At 30 September 2021	-

(b) Analysis of lease liabilities

	Land and buildings £'000
Cost:	
At 30 September 2020	(297)
Repayments	154
Interest charged	(9)
At 30 September 2021	(152)
Year ended 30 September 2021 £'000	
Analysed as:	
Current	(152)
Non-current	-
	(152)

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****15. Leases (continued)**

A maturity analysis of contractual undiscounted lease liabilities is set out below:

	Year ended 30 September 2021 £'000
Less than one year	154
Total contractual undiscounted lease liabilities	154

(c) Amounts recognised in the statement of total comprehensive income

	Year ended 30 September 2021 £'000
Depreciation of right-of use assets	145
Impairment of right-of use assets	146
Interest expense on lease liabilities (included in finance costs)	9

16. Investments

	Investment in Subsidiary undertakings £'000
Cost and net book value:	
At 30 September 2020	4,796
Additions	203
At 30 September 2021	4,999

List of investments at 30 September 2021 and 2020:

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 EURI	France	Le Chateau, 14330, Le Molay Littry.	EUR 15.2449 Ordinary shares	100	100
Skibound GmbH	Austria	Bösendorferstraße 2/15, 1010, Vienna	EUR Quota Nil Par Value shares	100	100

The Company acquired the entire share capital of Skibound GmbH in the financial year for £203,000 as part of an internal restructure. The Directors believe that the book value of all existing investments is supported by the higher of underlying net assets or their recoverable value.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****17. Deferred tax assets**

	30 September 2021 £'000	30 September 2020 £'000
Fixed asset temporary differences	-	286
Financial instruments	-	(80)
Other short-term temporary differences	-	189
	<u>-</u>	<u>395</u>

The amount of deferred tax expected to reverse within one year is as follows:

	30 September 2021 £'000	30 September 2020 £'000
Deferred tax asset due within 12 months	-	189
Deferred tax liabilities due within 12 months	-	(80)
	<u>-</u>	<u>109</u>

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

Deferred tax assets	Fixed asset temporary differences £'000	Financial instruments £'000	Other short-term temporary differences £'000	Total £'000
At 1 October 2019	224	(25)	169	368
Credited/(charged) to the statement of total comprehensive income	62	(55)	20	27
At 30 September 2020	286	(80)	189	395
Adjustment in respect of prior periods			24	24
(Charged)/credited to the statement of total comprehensive income	(286)	80	(213)	(419)
At 30 September 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Temporary differences on fixed assets arise where tax depreciation is different to accounting depreciation. Financial instruments temporary differences reflect the fair value of derivatives at 30 September 2021 that will be settled against

Unrecognised deferred tax assets/(liabilities)

Deferred tax assets totalling £856,000 (2020: £nil), comprising a deferred tax asset for fixed asset temporary differences of £421,000, a deferred tax liability for financial instruments of £4,000, a deferred tax asset for tax losses carried forward of £190,000 and a deferred tax asset for other short term temporary differences of £249,000 have not been recognised during the period as the Directors are not sufficiently certain of the extent and timing of their utilisation in the future.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****18. Derivative financial instruments**

	30 September 2021		30 September 2020	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Forward foreign exchange contracts - cash flow hedges	37	(20)	443	(23)
Total	37	(20)	443	(23)

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 losses of £403,000 (2020: gains of £276,000).

19. Trade and other receivables

	30 September 2021 £'000	30 September 2020 £'000
Amounts due from Group undertakings	1,418	10,833
Deposits for accommodation and other services	76	157
Other debtors	23	24
Prepayments and accrued income	152	503
	1,669	11,517

Amounts due from Group undertakings are unsecured, interest free and repayable on demand, except for a loan to Travelopia Holdings Limited which was settled during the financial year. The amount due from Travelopia Holdings Limited as at 30 September 2021 was £nil (2020: £7.9m).

20. Cash and cash equivalents

	30 September 2021 £'000	30 September 2020 £'000
Cash at bank	15,407	8,308
	15,407	8,308

Included within the cash at bank balance of £15,407,000 (2020: £nil) is an amount of £15,321,000 (2020: £nil) that is held on behalf of the Company in the bank account of Travelopia Adventure Limited, which acts as the Company's cash pool header company.

Ski Bound Limited**Notes to the financial statements for the year ended 30 September 2021 (continued)****21. Trade and other payables: amounts falling due within one year**

	30 September 2021	30 September 2020
	Current	Current
	£'000	£'000
Trade payables	268	348
Amounts due to Group undertakings	1,768	3,840
Other payables	669	56
Accruals and deferred income	5,549	4,782
Payments on account	1,973	2,506
	10,227	11,532

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

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

	30 September 2021	30 September 2020
	£'000	£'000
Accruals and deferred income	-	275
	-	275

23. Provisions for liabilities

Analysis of the movements during the year:

	Other Provisions £'000	Dilapidations £'000	Total £'000
At 1 October 2020	460	999	1,459
Release of provision	(193)	-	(193)
At 30 September 2021	267	999	1,266

Dilapidations

Hotel dilapidation costs relate to the costs of restoring hotels operated under long term lease contracts to their condition at the commencement of the lease contracts which are held by the Company's subsidiary entity in France. However, the Company is liable for the cost of the repairs which will be incurred in the event of termination of the lease agreements and are expected to be incurred after more than one year.

24. Called up share capital

	30 September 2021	30 September 2020
	£'000	£'000
Issued and fully paid		
22,250,003 (2020: 22,250,003) ordinary shares of £1.00 each	22,250	22,250

25. 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.

Ski Bound Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

26. Post balance sheet events

No post balance sheet events.

27. 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 was Travelopia Holdings Limited up until 11 January 2021, at which date, the Company was sold to Experiential Student Travel Group Limited.

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