

Travelmood Limited
Reports of the Directors and financial statements
for the year ended 30 September 2021
Company number 01934932



Travelmood Limited
Reports of the Directors for the year ended 30 September 2021

The Directors present their Strategic and Directors' Reports on and the financial statements of Travelmood 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 principal activity of the Company was that of a tour operator until the Company discontinued trading activities in 2020.

Review of the business

The Company's loss on ordinary activities before taxation for the year ended 30 September 2021 was £150,000 (2020: £480,000). No dividends were paid during the year (2020: £nil). The balance sheet shows a net liability of £8,323,000 (2020: £8,427,000) and an overdraft position of £8,207,000 (2020: £5,341,000).

Going concern

The Company ceased taking any new bookings with effect from 31 May 2020, all new bookings to the destinations served by the Austravel brand would be served by its fellow group Company Hayes & Jarvis (Travel) Limited. Consequently, as required by IAS 1.25 and as permitted by S1 2008/410 Schedule 1(10)(2), the Directors have prepared the financial statements on a basis other than that of a going concern. No adjustments to the amounts included in these financial statements were necessary.

The Directors continue to apply normal consideration to the funding and liquidity of the Company over the next 12 months. 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 immediate parent), which acts as the cash pool header company.

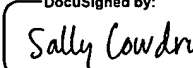
In concluding on going concern, the Directors have obtained a letter of support from the Directors of Travelopia Group Holdings Limited ('TGHL') to confirm that they intend to provide sufficient liquidity, should it be necessary. With an expectation that additional funding will be received should it be required, the Directors have a reasonable expectation that the Company can continue to meet its obligations for the foreseeable future.

Principal risks and uncertainties

The principal risks and uncertainties at the point of accounts signing are limited to that of a non-trading entity, as follows:

- **Legal and regulatory compliance.** The Company is exposed to a range of legal, tax and other regulatory laws, all of which must be complied with. Failure to comply may result in fines, sanctions or other implications. The Group has a Group Legal Compliance team who monitor compliance with laws and regulations and provides advice to businesses on specific areas.
- **Cyber security.** The Company is responsible for protecting the confidentiality, integrity and availability of the data it has for its guests, employees and suppliers. Failure to ensure 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 remediation costs and financial penalties for a breach of data protection legislation. The Directors continuously enhance the Company's information security procedures to mitigate this risk.
- **Credit risk.** The Company uses highly reputable and financially strong banking groups with which to deposit its material cash balances.

On behalf of the Board

DocuSigned by:

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S A Cowdry
Director

Company Number 01934932

Dated 1 July 2022

Travelmood Limited
Reports of the Directors for the year ended 30 September 2021

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:

S A Cowdry

H E Adamson

J L Evans (resigned 14 May 2021)

M E O'Reilly (appointed 14 May 2021)

Directors' insurance

Throughout the financial year until the approval of these financial statements the former immediate 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.

Audit exemption statement

For the financial period ended 30 September 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the financial period in question in accordance with Section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

Employees

The Company has no employees as the company has discontinued trading.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 2 to the financial statements, the Directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

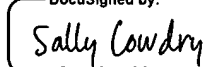
Travelmood Limited
Reports of the Directors for the year ended 30 September 2021

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

DocuSigned by:

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S A Cowdry
Director

Company Number 1934932

Dated 1 July 2022

Travelmood 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	16	9,938
Cost of sales credit/(expense)		145	(7,962)
Gross profit		161	1,976
Administrative expenses		(295)	(2,481)
Administrative expenses – not exceptional		(295)	(2,051)
Administrative expenses – exceptional	9	-	(430)
Other income		-	12
Operating loss		(134)	(493)
Finance income	7	-	13
Finance expense	8	(16)	-
Loss on ordinary activities before taxation	9	(150)	(480)
Tax credit	11	254	91
Profit/(loss) for the financial year		104	(389)
Total comprehensive profit/(loss) for the year		104	(389)

Travelmood Limited
Balance sheet for the year ended 30 September 2021

		30 September 2021 £'000	30 September 2020 £'000
	Note		
Current assets			
Trade and other receivables	13	9	902
Income tax – group relief receivable		251	145
Derivative financial assets	14	-	21
Cash and cash equivalents	15	-	180
		<u>260</u>	<u>1,248</u>
Total assets		<u>260</u>	<u>1,248</u>
Current liabilities			
Bank overdraft	16	(8,207)	(5,341)
Trade and other payables	17	(333)	(4,283)
Derivative financial liabilities	14	-	(5)
Provisions for liabilities	18	(43)	(43)
Deferred tax liabilities	12	-	(3)
		<u>(8,583)</u>	<u>(9,675)</u>
Total liabilities		<u>(8,583)</u>	<u>(9,675)</u>
Net liabilities		<u>(8,323)</u>	<u>(8,427)</u>
Equity			
Called up share capital	19	100	100
Profit and loss account		<u>(8,423)</u>	<u>(8,527)</u>
Total equity		<u>(8,323)</u>	<u>(8,427)</u>

The notes on pages 7 to 15 form part of these financial statements.

Audit exemption statement

For the financial period ended 30 September 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the financial period in question in accordance with Section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approval and authorisation for issue

The financial statements on pages 4 to 15 were approved and authorised for issue by the Board of Directors on 1 July 2022 and signed on its behalf by:

DocuSigned by:

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S A Cowdry
 Director

Travelmood Limited
Statement of changes in equity for the year ended 30 September 2021

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2019	100	(8,138)	(8,038)
Total comprehensive loss for the year	-	(389)	(389)
At 30 September 2020	100	(8,527)	(8,427)
Total comprehensive profit for the year	-	104	104
At 30 September 2021	100	(8,423)	(8,323)

The notes on pages 7 to 15 form part of these financial statements

Travelmood 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, RH10 1BD. The Company's registered number is 1934932.

The principal activity of the Company was that of a tour operator until the Company discontinued trading activities in 2020.

2. Basis of preparation other than going concern

The 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 and loss in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Company ceased taking any new bookings with effect from 31 May 2020, all new bookings to the destinations served by the Austravel brand would be served by its sister Company Hayes & Jarvis (Travel) Limited. Consequently, as required by IAS 1.25 and as permitted by S1 2008/410 Schedule 1(10)(2), the Directors have prepared the financial statements on a basis other than that of a going concern. No adjustments to the amounts included in these financial statements were necessary.

The Directors continue to apply normal consideration to the funding and liquidity of the Company over the next 12 months. 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 immediate parent), which acts as the cash pool header company.

In concluding on going concern, the Directors have obtained a letter of support from the Directors of Travelopia Group Holdings Limited ('TGHL') to confirm that they intend to provide sufficient liquidity, should it be necessary. With an expectation that additional funding will be received should it be required, the Directors have a reasonable expectation that the Company can continue to meet its obligations for the foreseeable future.

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

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (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.

Travelmood Limited**Notes to the financial statements for the year ended 30 September 2021**

3. Summary of significant accounting policies (continued)**New standards, amendments and interpretations**

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

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 holiday-related services. 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 holiday-related services. Revenue from sale of holiday-related services is comprised of one performance obligation and the transaction price is recognised over the duration of the holiday-related service (taking the time elapsed from departure to return). For the sale of holiday-related services, the Company receives part payment of the holiday-related services by way of a deposit from customers upon booking of the holiday-related service. 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.

Financial assets

Financial assets are classified at initial recognition as either subsequently measured at amortised cost or fair value through profit and loss. 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 Company's financial assets at amortised cost comprise loans and receivables and cash in the balance sheet.

Travelmood Limited**Notes to the financial statements for the year ended 30 September 2021**

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 '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.

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 includes 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. Overdrawn positions within the cash pooling header company are presented as bank overdrafts within current liabilities.

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.

Customer payments received in advance

Customer payments received in advance at the balance sheet date relating to holidays commencing and flights departing after the year end are included in trade and other payables. If the date of departure is in one year or less they are classified as current liabilities, if not, they are presented as non-current liabilities. Customer payments in advance also includes refund credit notes which may be refunded to customers at a later date.

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.

Finance income and finance expense

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

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

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

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.

Called up share capital

Ordinary shares are classified as equity.

4. 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:

Provisions against trade & other receivables

An accounting estimate is an approximation of the amount for which there is no precise means of measurement. Management has made judgements and estimate for any impairments (and write offs) have arisen to refunds due from third party suppliers and prepayments made to third party suppliers regarding the supply of flights, accommodation, tours & excursions. Due to the uncertainties which preside over the tourism industry as a direct result of COVID-19, there is an increased risk of suppliers failing to meet their contractual obligations resulting in a loss to the company. Management has conducted risks assessment and consider the nature of the supplier, the timeframe that they have to utilise refund credit notes received from the supplier, the likelihood of the business being able to utilise the credit notes against future trips.

Cash pooling facilities

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 and overdraft balances held in the pooled account of Travelopia Adventure Limited was £nil cash (2020: £180,000) and £8,207,000 overdraft (2020: £5,341,000 overdraft). 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 and to 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.

Judgement has been required to determine whether this balance meets the definition of cash and cash equivalents, or whether the balance 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.

Travelmood Limited**Notes to the financial statements for the year ended 30 September 2021****5. 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 20. 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.

6. Revenue

All revenue recognised in 2021 and 2020 are from the principal activity of a tour operator business. The geographical market of the business is the United Kingdom.

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

7. Finance income

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Gains on derivative financial instruments	-	13
Total finance income	-	13

8. Finance expense

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Loss on derivative financial instruments	16	-
Total finance expense	16	-

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 (crediting)/charging:		
Foreign exchange gains on currency	(25)	(132)
Exceptional items		
Restructuring costs on cessation of business	-	430
	-	430

10. 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	-	669
Social security costs	-	51
Other pension costs	-	26
	-	746

The monthly average 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 and distribution	-	18
Administration	-	5
	-	23

Directors' remuneration

Four Directors (2020: three) were remunerated by other Group companies and received no remuneration for their services to the Company.

Travelmood Limited**Notes to the financial statements for the year ended 30 September 2021****11. Tax credit**

The tax credit can be summarised as follows:

(i) Analysis of tax credit in the year

	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Current tax:		
Amounts receivable in respect of group relief	(251)	(94)
Total current tax	(251)	(94)
Deferred tax:		
Origination and reversal of temporary differences	(3)	3
Total deferred tax (Note 12)	(3)	3
Total tax credit in the statement of total comprehensive income	(254)	(91)
	Year ended 30 September 2021 £'000	Year ended 30 September 2020 £'000
Loss on ordinary activities before taxation	(150)	(480)
Loss on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2020: 19%)	(28)	(91)
Effects of:		
- Temporary differences not recognised as deferred tax	(226)	-
Total tax (credit) in the statement of total comprehensive income	(254)	(91)

(ii) 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.

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

12. Deferred tax liabilities

	30 September 2021 £'000	30 September 2020 £'000
Financial instruments	-	(3)

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

	30 September 2021 £'000	30 September 2020 £'000
Deferred tax liabilities due within 12 months	-	(3)

There are no unprovided deferred tax liabilities or unrecognised deferred tax assets at 30 September 2021. At 30 September 2020, deferred tax assets totalling £767,234, comprising fixed asset temporary differences of £225,524 and tax losses carried forward of £541,710 were not recognised as the Directors were not sufficiently certain of the extent and timing of their utilisation in the future.

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 the balance sheet date that will be settled against future transactions.

13. Trade and other receivables

	30 September 2021 £'000	30 September 2020 £'000
Trade receivables	7	-
Amounts due from Group undertakings	-	339
Other receivables	2	268
Prepayments and accrued income	-	295
	<u>9</u>	<u>902</u>

At 30 September 2021, provisions for impairment of £66,000 (2020: £90,000) have been recognised in respect of trade and other receivables.

14. Derivative financial instruments

	30 September 2021		30 September 2020	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Forward foreign exchange contracts - cash flow hedges	-	-	21	(5)
Total and current portion	<u>-</u>	<u>-</u>	<u>21</u>	<u>(5)</u>

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.

At 30 September 2021, the amount recognised in the statement of total comprehensive income that arises from fair value hedges amounts to a profit of £6,000 (2020: £13,000).

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

15. Cash and cash equivalents

	30 September 2021 £'000	30 September 2020 £'000
Cash at bank	-	180
	<u>-</u>	<u>180</u>

16. Bank overdraft

	30 September 2021 £'000	30 September 2020 £'000
Bank overdrafts	8,207	5,341
	<u>8,207</u>	<u>5,341</u>

17. Trade and other payables

	30 September 2021 £'000	30 September 2020 £'000
Customer payments received in advance	100	1,738
Amounts owed to Group undertakings	106	2,435
Accruals and deferred income	127	110
	<u>333</u>	<u>4,283</u>

Amounts due to Group undertakings

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

18. Provisions for liabilities

	30 September 2021 £'000	30 September 2020 £'000
<i>Analysed as:</i>		
- Current	43	43

A provision of £43,000 (2020: £43,000) covers litigation matters.

19. Called up share capital

	30 September 2021 £'000	30 September 2020 £'000
Issued and fully paid		
100,000 ordinary shares of £1.00 each	100	100

20. 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 November 2020, at which date, the Company was sold to Travelopia Adventure 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.