

**Insight Travel Services Limited**

**Annual report and financial statements**

**Registered number 1970858**

**For the year ended 31 December 2021**



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## **Directors' report**

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

### **Principal activity**

The principal activity of the company is the provision of administrative services.

### **Business review**

Both the level of business and the year-end financial position were considered satisfactory. The level of profitability during the year was reduced due to the impact of the Covid 19 pandemic on the group's activities, although this was partly helped by the receipt of Government support from the Furlough Scheme, which was not used to reduce expenses when calculating turnover.

### **Results and dividends**

The profit for the year, after taxation, was £53,678 (2020: £193,279).

No dividend was paid during the year (2020: *Nil*).

### **Financial instruments**

Details of the company's financial risk management objectives and policies are included in note 18 to the financial statements.

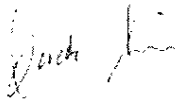
### **Directors**

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

Derek Howie

Jillian Gattrell (appointed 22 February 2022)

Benjamin Hall (resigned 22 February 2022)



**Derek Howie**

*Director*

15<sup>th</sup> September 2022

14 Grosvenor Place  
London  
SW1X 7HH

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

	<i>Note</i>	<b>2021</b> £	2020 £
<b>Revenue</b>	2	<b>1,325,050</b>	1,700,320
Other income	2	77,776	170,279
Cost of sales		<b>(1,330,296)</b>	(1,631,772)
<b>Operating profit</b>	3,4	<b>72,530</b>	238,827
Finance income	6	13	2,730
Finance expense	7	<b>(4,262)</b>	(5,478)
<b>Profit before tax</b>		<b>68,281</b>	236,079
Taxation	8	<b>(14,603)</b>	(42,800)
<b>Profit for the year</b>		<b>53,678</b>	193,279
<b>Total comprehensive income for the year</b>		<b>53,678</b>	193,279

All results in the current and preceding year relates to continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 24 form an integral part of these financial statements.

**Statement of changes in equity**  
*for the year ended 31 December 2021*

	Share premium £	Share capital £	Retained Earnings £	Total £
<b>At 1 January 2020</b>	17,145,100	40,000	(13,094,910)	4,090,190
Total comprehensive income for the year	-	-	193,279	193,279
<b>At 31 December 2020 and 1 January 2021</b>	17,145,100	40,000	(12,901,631)	4,283,469
Total comprehensive income for the year	-	-	53,678	53,678
<b>At 31 December 2021</b>	<b>17,145,100</b>	<b>40,000</b>	<b>(12,847,953)</b>	<b>4,337,147</b>

The notes on pages 8 to 24 form an integral part of these financial statements.

**Statement of financial position**  
*as at 31 December 2021*

	<i>Note</i>	<b>2021</b> £	2020 £
<b>Non-current assets</b>			
Plant and equipment	9	61,013	93,817
Right of use assets	19	214,158	285,544
Deferred tax asset	13	23,638	21,560
		<u>298,809</u>	<u>400,921</u>
<b>Current assets</b>			
Amounts due from related parties	10	4,351,196	4,231,383
Trade and other receivables	11	7,703	72,374
Cash and cash equivalents	12	196,537	156,637
		<u>4,555,436</u>	<u>4,460,394</u>
<b>Total assets</b>		<u>4,854,245</u>	<u>4,861,315</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	(147,754)	(219,730)
		<u>(147,754)</u>	<u>(219,730)</u>
<b>Current Liabilities</b>			
Amounts due to related parties	14	(116,214)	(57,874)
Trade and other payables	15	(164,473)	(188,253)
Tax payable		(16,681)	(41,251)
Loans and borrowings	17	(71,976)	(70,738)
		<u>(369,344)</u>	<u>(358,116)</u>
<b>Total liabilities</b>		<u>(517,098)</u>	<u>(577,846)</u>
<b>Net Assets</b>		<u>4,337,147</u>	<u>4,283,469</u>
<b>Equity</b>			
Share capital	21	40,000	40,000
Share premium		17,145,100	17,145,100
Retained loss		(12,847,953)	(12,901,631)
<b>Total Equity</b>		<u>4,337,147</u>	<u>4,283,469</u>

**Statement of financial position (continued)**  
*as at 31 December 2021*

For the year ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors on 15<sup>th</sup> September 2022 and were signed on its behalf by:



**Derek Howie**  
*Director*

The notes on pages 8 to 24 form an integral part of these financial statements.



**Statement of cash flows**  
*for the year ended 31 December 2021*

	<i>Note</i>	<b>2021</b> £	<b>2020</b> £
<b>Cash flows from operating activities</b>			
Profit for the year		<b>53,678</b>	193,279
<i>Adjustments for:</i>			
Depreciation	9	<b>30,872</b>	32,068
Depreciation – ROU Asset	19	<b>71,386</b>	71,386
Finance income	6	<b>(13)</b>	(2,730)
Finance Expense	7	<b>4,262</b>	5,478
Taxation expense	8	<b>14,603</b>	42,800
		<hr/>	<hr/>
		<b>174,788</b>	342,281
Increase in trade and other receivables		<b>(55,142)</b>	(1,497,496)
Increase in trade and other payables		<b>34,560</b>	10,260
		<hr/>	<hr/>
		<b>154,206</b>	(1,144,955)
Taxation paid		<b>(41,251)</b>	(29,725)
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>		<b>112,955</b>	(1,174,680)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		<b>(75,000)</b>	(75,000)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>(75,000)</b>	(75,000)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Interest received		<b>13</b>	2,730
Acquisition of plant and equipment	9	<b>(1,713)</b>	(40,139)
Proceeds from sales of plant and equipment		<b>3,645</b>	-
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>1,945</b>	(37,409)
		<hr/>	<hr/>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>38,900</b>	(1,287,089)
Cash and cash equivalents at 1 January	12	<b>156,637</b>	1,443,726
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	12	<b>196,537</b>	156,637
		<hr/>	<hr/>

The notes on pages 8 to 24 form an integral part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Insight Travel Services Limited ("the company") is a company incorporated in the UK. The registered number is 01970858 and the registered address is 14 Grosvenor Place, London, SW1X 7HH.

The company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), and under historical cost accounting rules.

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

#### *Going concern*

The Company's financial statements have been prepared on a going concern basis which the directors believe to be appropriate, notwithstanding the significant challenges posed by the current global COVID-19 crisis, for the following reasons.

At the year end, the Company had net assets of £4,337,147 and net current assets of £4,186,092. It manages its day to day and medium-term funding requirements through cash balances. These cash balances are forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business.

The global COVID-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the Company's business is such that in the next twelve months, there is expected to be an unpredictable variation in the value and timing of cash inflows.

The Company is a subsidiary of the Group headed by The Travel Corporation Limited (the Group). The Company is reliant on other Group companies for its income as it provides management and other services to fellow subsidiaries of the Travel Corporation Limited and it is integral to the operations of the Group. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern. As such, the directors of the Company have had regard to the Group which has prepared financial forecasts, which the Directors have reviewed, comprising operating profit, balance sheet and cash flows covering a period of at least 12 months from the date of these financial statements. The Group finances its working capital through cash balances and has significant liquidity available to cope with additional cash requirements related to potential impacts of COVID-19. The Group's forecasts indicate that even in the severe but plausible downside scenario set out above it will have sufficient funds to continue to meet its liabilities as they fall due during the period to 31 December 2023. Similarly, the directors of the Company have prepared projected cash flow information for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate parent company, Travel Corporation Limited, to meet its liabilities as they fall due for that period.

That assessment is dependent on Travel Corporation Limited providing additional financial support during that period. Travel Corporation Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Notes** *(continued)*  
*(forming part of the financial statements)*

**1 Accounting policies** *(continued)*

**Use of estimates and judgements**

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

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

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

**Revenue**

The Company applies the following five step model;

- 1) Identification of a contract to provide administrative services
- 2) Identification of performance obligations within that contract
- 3) Determination of the transaction price as outlined within the contract for the provision of administrative services
- 4) Allocation of the transaction price to the performance obligations as outlined within the contract and
- 5) Recognition of revenue

For each performance obligation, the company identifies whether it has been satisfied at a point in time or over time based upon an evaluation of the receipt and consumption of benefits and enforceable payment rights associated with that obligation. The Company's agreements with customers do not contain complex terms or separately identifiable performance obligations outside delivering services to customers. The performance obligation is the supply of services to the customer and therefore the transaction price relates to this performance obligation.

Revenue is recognised at the point in time when the service is provided.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

**Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Impairment losses represent allowances for expected credit losses over the lifetime of the financial asset (ECLs). Loss allowances for trade receivables and other receivables such as amounts due to related parties are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information."

**Notes (continued)**  
*(forming part of the financial statements)*

**1 Accounting policies (continued)**

***Classification of financial assets***

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions:

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

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

***Trade and other payables***

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

***Cash and cash equivalents***

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

***Intra-group financial instruments***

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

***Employee benefits***

***Defined benefit plans***

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

***Defined contribution plans***

From 1 May 2004 the company participated in a group defined contribution scheme. The assets of the scheme are held separately from those of the company in separate trust administered funds. The company also contributes to a multi-employer, defined contribution occupational pension scheme for certain employees. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

**Notes** *(continued)*  
*(forming part of the financial statements)*

**1 Accounting policies** *(continued)*

**Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Short leasehold property	10% on cost
Fixtures and fittings	10% - 25% on cost

**Taxation**

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates in force for the year and any adjustment to tax payable in respect of previous years.

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

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

**Expenses**

**Operating lease payments**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

**Financing income and expenses**

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases, and interest receivable on funds invested that are recognised in the income statement

Interest income and interest payable is recognised in income statement as it accrues, using the effective interest method.

**Capital Management**

The company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

The company has no external debt as at 31 December 2021 and is not subject to externally imposed capital requirements; management of capital therefore focuses around its ability to generate cash from its operations.

**Notes (continued)**  
**(forming part of the financial statements)**

**1 Accounting policies (continued)**

**Standards, amendments and interpretations adopted during the period**

The Company has adopted the following standards, amendments and interpretations which have not had a significant impact on the Company's results:

**IFRS 16 'Leases'**

The Company has applied IFRS 16 using the modified retrospective approach.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

*As a lessee*

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

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

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

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

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

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

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

**Notes (continued)**  
*(forming part of the financial statements)*

**2 Revenue**

The turnover and pre-tax result are wholly attributable to the company's main activity, being the provision of data processing, administration and other services to other group companies.

In the following table, revenue is disaggregated by major service lines.

	2021 £	2020 £
<b>Major service lines</b>		
Management Fees - UK	222,923	273,749
Management Fees – Guernsey, Channel Islands	1,102,127	1,426,571
	<u>1,325,050</u>	<u>1,700,320</u>

	2021 £	2020 £
<b>Other income</b>		
Government support and grants	77,776	170,279
	<u>77,776</u>	<u>170,279</u>

Included within other income is £77,776 (2020: £170,279) relating to the Government Job Retention Scheme. Having met all conditions for payment, these Government grants are recognised on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. The company has elected to present such grant income separately as other income.

**3 Expenses**

*Included in profit are the following:*

	2021 £	2020 £
Depreciation	30,872	32,068
Depreciation on ROU Asset	<u>71,386</u>	<u>71,386</u>

**Notes (continued)**  
*(forming part of the financial statements)*

**4 Staff numbers and costs**

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

	<b>Number of employees</b>	
	<b>2021</b>	<b>2020</b>
Administration	25	41

The aggregate payroll costs of these persons were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	789,727	1,066,968
Social security costs	78,445	89,124
Other pension costs	166,907	213,191
	<b>1,035,079</b>	<b>1,369,283</b>

**5 Remuneration of directors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	113,241	112,271

Retirement benefits are accruing to the following number of directors under:

	<b>Number of directors</b>	
	<b>2021</b>	<b>2020</b>
Defined contribution schemes	2	2

**6 Finance income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	13	2,730

**7 Finance Expense**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest expense on lease liabilities	4,262	5,478



**Notes (continued)**  
*(forming part of the financial statements)*

**8 Taxation**

**Recognised in the statement of comprehensive income**

	2021 £	2020 £
<i>Current tax expense</i>		
Current year	16,680	41,251
Adjustment to prior years	-	(11,534)
	<u>16,680</u>	<u>29,717</u>
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	(2,077)	13,083
	<u>(2,077)</u>	<u>13,083</u>
Total tax in statement of comprehensive income	<u><u>14,603</u></u>	<u><u>42,800</u></u>

**Reconciliation of effective tax rate**

	2021 £	2020 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	68,281	236,079
	<u>68,281</u>	<u>236,079</u>
Tax using the UK corporation tax rate of 19% (2020: 19%)	12,973	44,855
<i>Effects of:</i>		
Non-deductible expenses	2,698	8,469
Depreciation on non-qualifying assets	1,010	1,010
Adjustments to prior year	(2,078)	(11,534)
	<u>1,630</u>	<u>(2,055)</u>
Total tax in statement of comprehensive income	<u><u>14,603</u></u>	<u><u>42,800</u></u>

On 24 May 2021, the UK corporation rate of 25% (effective 1 April 2023) was substantively enacted, increasing from the current rate of 19%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2021 has been calculated at 25% (2021: 19%) given this rate was substantively enacted.

**Notes (continued)**  
*(forming part of the financial statements)*

**9 Property, Plant and Equipment**

	Property Improvements £	Office equipment, fixtures & fittings £	Total £
<b>Cost</b>			
Balance at 1 January 2020	53,176	137,172	190,348
Acquisitions	-	40,139	40,139
Disposals	-	-	-
Balance at 31 December 2020	53,176	177,311	230,487
Balance at 1 January 2021	53,176	177,311	230,487
Acquisitions	-	1,713	1,713
Intergroup disposals	-	(6,997)	(6,997)
<b>Balance at 31 December 2021</b>	<b>53,176</b>	<b>172,027</b>	<b>225,203</b>
<b>Depreciation</b>			
Balance at 1 January 2020	20,719	83,883	104,602
Depreciation charge for the year	5,317	26,751	32,068
Disposals	-	-	-
Balance at 31 December 2020	26,036	110,634	136,670
Balance at 1 January 2021	26,036	110,634	136,670
Depreciation charge for the year	5,318	25,555	30,872
Disposals	-	(3,353)	(3,353)
<b>Balance at 31 December 2021</b>	<b>31,354</b>	<b>132,836</b>	<b>164,190</b>
<b>Net book value</b>			
At 31 December 2020	27,140	66,677	93,817
<b>At 31 December 2021</b>	<b>21,822</b>	<b>31,191</b>	<b>61,013</b>

**Notes (continued)**  
*(forming part of the financial statements)*

**10 Amounts due from related parties**

	2021 £	2020 £
<i>Other Group Companies</i>		
Travcorp Management Services Limited	1,819,610	2,027,335
Travel Corporation Asia (UK) Ltd	21,916	125,561
Travcorp UK Ltd	516,687	639,144
AAT Kings Tours (UK) Ltd	6,254	121,892
Insight Travel Group Limited	95,503	95,503
Radical Travel Group Limited	861,041	781,758
Insight Group Ltd	-	8,198
TTC Group Services Ltd	80,668	49,121
Evan Evans Tours Limited	40,338	142,652
Tracoin Services Limited	139,619	-
Contiki Services Limited	104,227	240,219
Insight Vacations Ltd	176	-
TTC Travel Group Ltd	665,157	-
	<u>4,351,196</u>	<u>4,231,383</u>

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

The company's exposure to credit risk and impairment losses related to amounts due from related parties is disclosed in note 18.

**11 Trade and other receivables**

	2021 £	2020 £
Other trade receivables and prepayments	7,703	72,374
	<u>7,703</u>	<u>72,374</u>

**12 Cash and cash equivalents**

	2021 £	2020 £
Cash and cash equivalents	196,537	156,637
	<u>196,537</u>	<u>156,637</u>

The company's exposure to interest and currency risks and a sensitivity analysis for financial assets and liabilities is disclosed in note 18.

**Notes (continued)**  
*(forming part of the financial statements)*

**13 Deferred tax assets**

*Recognised deferred tax asset*

The deferred tax asset account consists of the tax effect and timing differences in respect of excess of taxation allowances over depreciation on plant and equipment.

*The movement in the deferred taxation during the year:*

	2021 £	2020 £
At 1 January	21,560	34,643
Recognised in statement of comprehensive income	2,078	(13,083)
At 31 December	<u>23,638</u>	<u>21,560</u>

**14 Amount due to related parties**

Amounts owing to other members of the TTC group, which are unsecured, non-interest bearing, and payable on demand are:

	2021 £	2020 £
Insight Group Ltd	6,302	-
Rubens Management Services Limited	41,250	-
Kelburn Property Limited	68,662	1,162
Tracoin Services Limited	-	18,242
TTC Travel Group Limited	-	38,470
	<u>116,214</u>	<u>57,874</u>

The company's exposure to liquidity risk related to amounts due to related parties is disclosed in note 18.

**15 Trade and other payables**

	2021 £	2020 £
Trade payables	4,003	5,001
Other payables and accruals	16,858	24,541
PAYE and social security	19,378	33,001
Pension fund	124,234	123,052
VAT	-	2,658
	<u>164,473</u>	<u>188,253</u>

The company's exposure to liquidity risk related to trade and other payables is disclosed in note 18.

**Notes (continued)**  
*(forming part of the financial statements)*

**16 Pension scheme**

**Pension plans**

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

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

The value of the scheme's assets at 1 May 2020 was £25,230,000 which represented 68% of the present value of past service liability, based on projected pensionable salaries.

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

During the year ended 31 December 2021, in relation to Insight Travel Services Limited, £99,555 was charged against profits in respect of the defined benefit scheme (2020: £122,783) and £121,714 was charged against profits in respect of the defined contribution scheme (2020: £90,408).

The contribution paid by the entity has been estimated based on the membership of the scheme at the date that future accrual ceased and adjusted for length of membership of the company if appropriate

The scheme holds 13% (as at the balance sheet date) (2020: 14%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 13% (2020: 11%). Plan assets consist of the following:

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

*Movement in the present value of the defined benefit obligation:*

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

**Notes (continued)**  
*(forming part of the financial statements)*

**16 Pension scheme (continued)**

*Movement in fair value of plan assets:*

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

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

*Expense recognised in statement of comprehensive income*

	2021 £000	2020 £000
Interest cost	186	267
	<hr/>	<hr/>
	186	267
	<hr/>	<hr/>

*Plan assets consist of the following:*

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

	2021 £000	2020 £000
Interest credit (on plan assets)	387	544
Actual return on plan assets	4,201	3,157
	<hr/>	<hr/>

**Notes (continued)**  
*(forming part of the financial statements)*

**16 Pension scheme (continued)**

*Actuarial assumptions:*

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

	2021 %	2020 %
Discount rate	1.9	1.3
Future salary increases	3.7	3.0
Future pension increases on benefits accrued from 1997 to 2008	3.7	3.6
Future pension increases on benefits accrued post 2008	3.1	2.9
Rate of increase on deferred pensions	3.0	2.3
Retail Price Inflation - pre-retirement	3.7	3.0
Retail Price Inflation - post-retirement	3.3	3.0
Consumer Price Inflation - pre-retirement	3.0	2.3

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

*History of plans*

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

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Present value of the defined benefit obligation	(41,163)	(44,773)	(40,988)	(36,468)	(44,689)
Fair value of plan assets	33,453	30,230	27,344	22,651	27,331
Deficit in the plan	(7,710)	(14,543)	(13,644)	(13,817)	(17,358)
Experience adjustments on plan liabilities	(0.5%)	1.3%	1.6%	1.4%	2.5%
Experience adjustments on plan assets	11.4%	8.6%	14.1%	(8.0%)	5.5%

**17 Other interest-bearing loans and borrowings**

<b>Non-current liabilities</b>	2021 £	2020 £
Lease liabilities	147,754	219,730
	<hr/>	<hr/>
	147,754	219,730
	<hr/>	<hr/>
<b>Current liabilities</b>		
Current portion of lease liabilities	71,976	70,738
	<hr/>	<hr/>
	71,976	70,738
	<hr/>	<hr/>

**Notes (continued)**  
*(forming part of the financial statements)*

**18 Financial risk management objectives and policies**

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

- a) to finance its operations;
- b) to manage its exposure to interest risk from its operations and from its sources of finance; and
- c) for trading purposes.

In additions, various financial instruments (e.g. trade receivables, trade payables, accruals and prepayments) arise directly from the company's operations.

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

***Credit risk***

The company has no external credit risk at the year end. The intercompany balances are not considered to represent a significant credit risk by the directors.

Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments. The maximum exposure at the reporting date was:

	2021 £	2020 £
Amounts due from related parties	4,351,196	4,231,383
Cash and cash equivalents	196,537	156,637
	<hr/> 4,547,733 <hr/>	<hr/> 4,388,020 <hr/>

***Liquidity risk***

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. There are no long-term borrowings.

Trade and other payables £164,473 (2020: £188,253) and amount due to related parties £116,214 (2020: £57,874) are payable within six months of the year end.

***Interest rate risk***

The company invests its cash in a range of cash deposit accounts with UK Banks. Interest earned therefore closely follows movements in Bank of England base rates. A movement of 1% in this rate would result in a difference in annual pre-tax profit of £1,965 based on company cash, cash equivalents and financial instruments at 31 December 2021.

***Foreign exchange risk***

The company is not exposed to any foreign exchange risks.

***Fair value***

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

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



**Notes (continued)**  
*(forming part of the financial statements)*

**19 Leases (IFRS 16)**

*Right of use assets*

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 9):

	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
Balance at 1 January 2021	285,544	285,544
Additions to right-of-use assets	-	-
Depreciation charge for the year	(71,386)	(71,386)
	<hr/>	<hr/>
Balance at 31 December 2021	214,158	214,158
	<hr/>	<hr/>

*Amounts recognised in profit or loss*

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

	<b>£</b>
<b>2021 - Leases under IFRS 16</b>	
Interest expense on lease liabilities	4,262
	<hr/>
	<b>£</b>
<b>2020 - Operating leases under IFRS 16</b>	
Lease expense	5,478
	<hr/>

**20 Related party transactions**

During the year the company received services from other members of the group as follows:

	<b>2021 £</b>	<b>2020 £</b>
<i>Rent:</i>		
Kelburn Properties Limited	75,000	75,607
	<hr/>	<hr/>
	75,000	75,607
	<hr/>	<hr/>

**Notes (continued)**  
*(forming part of the financial statements)*

**20 Related party transactions (continued)**

During the year the company provided services to other members of the group as follows:

	2021	2020
	£	£
<i>Revenue:</i>		
Radical Travel Group Limited	75,175	92,724
Travcorp Management Services Limited	64,349	79,372
Travcorp UK Limited	34,300	42,308
Tracoin Services Limited	13,735	16,942
Contiki Services Limited	2,604	2,604
Evan Evans Tours Limited	2,604	2,604
AAT Kings Tours (UK) Limited	30,156	37,196
TTC Travel Group Ltd	1,102,127	1,426,570
	<hr/>	<hr/>
	1,325,050	1,700,320
	<hr/>	<hr/>

**21 Share capital**

	2021	2020
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
40,000 Ordinary shares of £1 each	40,000	40,000
	<hr/>	<hr/>

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

**22 Ultimate Parent Company**

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

The largest group in which the results of the company are consolidated is that headed by The Travel Corporation Limited. The financial statements of this company are not available to the public. The smallest group in which they are consolidated is that headed by Insight Group Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Insight Group Limited are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.