World Challenge Expeditions Limited
Reports of the Directors and financial statements
for the year ended 30 September 2022
Company number 02173751

The Directors present their Strategic and Directors' Reports on, and the audited financial statements of, World Challenge Expeditions Limited (the "Company") for the year ended 30 September 2022. 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 specialising in providing educational expeditions in the developing world. The bespoke 3-6 week programmes are geared to the education of young people and teach essential life skills such as leadership, communication, teamwork, risk management and budgeting.

Review of the business

The Company's loss on ordinary activities before taxation for the year ended 30 September 2022 was £2,144,000 (2021: £2,163,000). There were no dividends paid during the year (2021: £nil) and the Directors are unable to recommend the payment of a final dividend (2021: £nil).

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 2022 No./£'000	Year ended 30 September 2021 No./£'000
Number of passengers	**2,093**	-
Revenue	**6,935**	538
Revenue per passenger	**3.3**	-
Loss on ordinary activities before taxation	**(2,144)**	(2,163)
Net liabilities	**(10,158)**	(8,390)

Covid-19 continued to impact the result for the year, the long lead times from sale to departure condensed the ability to sell to schools and therefore the number expeditions departing during the year was reduced.

Net liabilities have increased by £1,768,000, primarily due to the losses made this year. The Company also reviewed the carrying value of its investment into its direct subsidiary, World Challenge Expeditions Pty Limited, resulting in an impairment charge of £664,000 (2021: £nil). Client money received in advance has increased from £4,478,000 in 2021 to £4,691,000 in 2022 as future sales recover following Covid-19. At 30 September 2022 the Company had a balance of £196,000 in other creditors (2021: £306,000) which consisted of outstanding refunds for cancelled 2020, 2021 & 2022 expeditions.

During the year no dividend was received from World Challenge Expeditions Pty Ltd (2021: £nil).

Funding, liquidity and going concern

At 30 September 2022, the Company had net liabilities of £10,158,000 (2021: £8,390,000) and net current liabilities of £11,074,000 (2021: £10,037,000).

As part of their assessment of going concern, the Directors of the Company have considered the liquidity position and funding requirements of both the Company and its Group for at least 12 months from the date of approval of these financial statements, to determine the appropriateness of preparing the financial statements on a going concern basis.

In January 2021, the Travelopia Group completed an internal restructure to segregate the Company and its fellow UK and Irish tour operating subsidiaries (known together internally as the 'Civil Aviation Authority ('CAA') ring-fenced group', or 'Group') from the rest of the Travelopia Group (known internally as the 'Banking Group') in order to simplify the regulatory structure within which the Company operates. The new regulatory structure requires the CAA ring-fenced group, in aggregate, to hold at least 70% of client payments received in advance in the way of cash. Maintaining a ratio of at least 70% cash to client money ratio ('the 70% test') provides protection that the CAA ring-fence group companies should always have sufficient liquidity to settle obligations whenever they fall due.

STRATEGIC REPORT (continued)

Funding, liquidity and going concern (continued)
Although the Company itself is not required to meet the 70% test on a stand-alone basis, its overdraft and cash reserves are pooled in the bank account with other cash balances of Travelopia Adventure Limited (the Company's indirect parent company and the parent company of the CAA ring-fenced Group), using a cash pooling structure that simplifies the CAA-ring fenced group's cash facilities. At 30 September 2022, the Company's overdraft position of £6,736,000 (2021: £5,963,000) and cash balances totalling £317,000 (2021: £354,000) was held in and funded by this cash pool. The Directors have satisfied themselves that the Company has immediate and unrestricted access to its pooled cash and that there are no plausible scenarios which would cause this to change. The Directors have also satisfied themselves that there is no expectation that the Company will be required to settle its overdraft balance in the foreseeable future.

The Directors have also made enquiries to the Directors of Travelopia Adventure Limited to satisfy themselves that there is an expectation that the Group will have sufficient funds available to meet the 70% test at all times.

Throughout the financial year, the Directors of both the Company and the Group have continued to assess the Company and Group's respective current and future cash levels and funding requirements. To do this, the Company and Group prepares 13-week rolling cashflow forecasts, together with monthly forecasts for the remainder of the financial year ending 30 September 2023 ('FY23 forecast'), which, together with the Strategic Plan for FY24 (being the financial year ending 30 September 2024), enable good short term and longer term liquidity outlook. The latest FY23 forecast and Strategic Plan for the Company and the Group form the basis of the Directors' going concern assessments, with the term used in the assessment period being at least one year from the date of signing these financial statements.

The Directors note that in view of the overdraft balance held by the Company's indirect parent in the Group's cash pool, the Company is reliant upon either continued use of the CAA ring-fenced Group's cash pool facility or, in the absence of such, alternative financing to be able to pay liabilities as they fall due and hence remain a going concern. Accordingly, the Directors have obtained a letter of support from the Directors of Travelopia Adventure Limited to confirm that they commit to continue providing sufficient liquidity, to the extent it is necessary. They have also satisfied themselves that the Directors of Travelopia Adventure Limited have an expectation that the Group will have sufficient funds available to meet the 70% test at all times throughout the assessment period under forecasted and reasonably possible downside scenarios. As such, the Directors of the Company have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Post balance sheet events and future developments
There have been no post balance sheet events that have had a material impact on the results of the Company for the financial year ended 30 September 2022.
The Directors are optimistic that the Company will have a full financial year of operations for the year ending 30 September 2024, being the first one since the financial year ended 30 September 2019, as a result of global travel restrictions caused by Covid-19.

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.

STRATEGIC REPORT (continued)

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

- **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 culture. The Company tries to mitigate this where it can with policies and procedures in place to reduce incidents, whether they are accidents or Covid 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.
- **Destination disruption.** 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 expeditions around the world. It monitors and assesses its customers' appetite for travel, for new post-pandemic trends in the face of increased costs of living. The Company constantly monitor prices, costs and booking levels to try and maximise customer demand and financial return.
- **Legal and 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.
- **Climate change.** The Directors continue to monitor global climate change developments, with Corporate Sustainability representation at ELT level. In the forthcoming year, the Company will be reporting internally on their 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. Having geographically diverse destinations in the Company will again help limit the exposure to any single destination.
- **Technology risk**. Online reservation systems, websites and platforms form a significant part of the Group'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 Group'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 Group's profitability, in terms of lost bookings, cash outflows and asset impairments.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Financial instrument risks

- **Foreign currency exchange risk**. The Group 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 Group 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.

Approval
This report was approved and signed on behalf of the Board on 28 April 2023.

J Venn
Director

Company Number 02173751

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:

J Venn
P Fletcher

Directors' insurance
Throughout the financial year until the date of approval of these financial statements, Travelopia Holdings Limited, another subsidiary company within the Travelopia Group of companies, 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 auditor is 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 auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the annual general meeting.

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, liquidity and going concern assessment, financial risk management, 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 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 and applicable law), including FRS 101 "Reduced Disclosure Framework". 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval
This report was approved and signed on behalf of the Board on 28 April 2023.

J Venn
Director

Company Number 02173751

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of World Challenge Expeditions Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its losses for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of total comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
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 other information comprises the information included in the strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the strategic report. 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licenses, UK Bribery Act, GDPR and health & safety regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

A significant risk has been identified in relation to the accuracy and completeness of the transfer of revenue from the reservation system to the accounting system as the manual transfer of data is inherently prone to fraud or error. A significant risk has been identified that manual journals are fraudulent or made in error (other than IFRS 15 adjustments). We have reviewed the design and implementation of relevant controls and performed walkthrough procedures, performed substantive procedures over the data extracted from the reservation system including tracing samples selected to the underlying support to verify the accuracy of the data, recalculated revenue balances using bespoke analytics and performed additional audit procedures on any manual adjustments identified.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
  reading minutes of meetings of those charged with governance and where available reviewing correspondence with the Civil Aviation Authority and HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Amy Lyons.

Amy Lyons FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
28 April 2023

World Challenge Expeditions Limited
Statement of total comprehensive income for the year ended 30 September 2022

	Note	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Revenue	6	**6,935**	538
Cost of sales		**(4,310)**	86
Gross profit		**2,625**	624
Distribution costs		**(594)**	(685)
Administrative expenses		**(4,184)**	(2,254)
Other income	9	**-**	142
Operating loss		**(2,153)**	(2,173)
Finance income	7	**16**	27
Finance expense	8	**(7)**	(17)
Loss on ordinary activities before taxation	9	**(2,144)**	(2,163)
Tax credit	11	**376**	331
Loss for the financial year attributable to owners of the parent		**(1,768)**	(1,832)
Total comprehensive loss for the year attributable to owners of the parent		**(1,768)**	(1,832)

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

World Challenge Expeditions Limited
Balance sheet as at 30 September 2022

	Note	30 September 2022 £'000	30 September 2021 £'000
Non-current assets			
Intangible assets	12	**256**	375
Property, plant and equipment	13	**19**	81
Right of use assets	14	**84**	48
Investments in subsidiaries	15	**-**	664
Trade and other receivables	18	**1,070**	1,005
		1,429	2,173
Current assets			
Inventories	17	**81**	256
Trade and other receivables	18	**754**	282
Income tax – group relief recoverable		**627**	331
Derivative financial assets	20	**41**	24
Cash and cash equivalents	21	**690**	704
		2,193	1,597
Total assets		**3,622**	3,770
Current liabilities			
Bank overdrafts	22	**(6,736)**	(5,963)
Trade and other payables	19	**(6,499)**	(5,467)
Lease liabilities	14	**(32)**	(204)
		(13,267)	(11,634)
Non-current liabilities			
Trade and other payables	19	**(453)**	(295)
Lease liabilities	14	**(60)**	(52)
Provisions for liabilities	23	**-**	(179)
		(513)	(526)
Total liabilities		**(13,780)**	(12,160)
Net liabilities		**(10,158)**	(8,390)
Equity			
Called up share capital	24	**40**	40
Share premium account	25	**35**	35
Profit and loss account	25	**(10,233)**	(8,465)
Total equity attributable to owners of the parent		**(10,158)**	(8,390)

The notes on pages 12 to 30 form part of these financial statements.

The financial statements on pages 9 to 30 were approved and authorised for issue by the Board of Directors on 28 April 2023 and signed on its behalf by:

J Venn
Director

Statement of changes in equity for the year ended 30 September 2022

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2020	40	35	(6,633)	(6,558)
Total comprehensive loss for the year	-	-	(1,832)	(1,832)
At 1 October 2021	40	35	(8,465)	(8,390)
Total comprehensive loss for the year	-	-	(1,768)	(1,768)
At 30 September 2022	**40**	**35**	**(10,233)**	**(10,158)**

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

1. General information

The Company is a private limited company, limited by shares and 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 02173751.

The principal activity of the Company continues to be that of a tour operator selling expeditions to customers in the UK.

2. Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated 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 International Financial Reporting Standards (IFRSs) as issued by the IASB.

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.

Going concern

At 30 September 2022, the Company had net liabilities of £10,158,000 (2021: £8,390,000) and net current liabilities of £11,074,000 (2021: £10,037,000).

As part of their assessment of going concern, the Directors of the Company have considered the liquidity position and funding requirements of both the Company and its Group for at least 12 months from the date of approval of these financial statements, to determine the appropriateness of preparing the financial statements on a going concern basis.

In January 2021, the Travelopia Group completed an internal restructure to segregate the Company and its fellow UK and Irish tour operating subsidiaries (known together internally as the as the 'Civil Aviation Authority ('CAA') ring-fenced group', or 'Group') from the rest of the Travelopia Group (known internally as the 'Banking Group') in order to simplify the regulatory structure within which the Company operates. The new regulatory structure requires the CAA ring-fenced group, in aggregate, to hold at least 70% of client monies received in advance in the way of cash. Maintaining a ratio of at least 70% cash to client money ratio ('the 70% test') provides protection that the CAA ring-fence group companies should always have sufficient liquidity to settle obligations whenever they fall due.

Although the Company itself is not required to meet the 70% test on a stand-alone basis, its overdraft and cash reserves are pooled in the bank account with other cash balances of Travelopia Adventure Limited (the Company's indirect parent company and the parent company of the CAA ring-fenced Group), using a cash pooling structure that simplifies the CAA-ring fenced group's cash facilities. At 30 September 2022, the Company's overdraft position of £6,736,000 (2021: £5,963,000) and cash balances totalling £317,000 (2021: £354,000) was held in and funded by this cash pool. The Directors have satisfied themselves that the Company has immediate and unrestricted access to its pooled cash and that there are no plausible scenarios which would cause this to change. The Directors have also satisfied themselves that there is no expectation that the Company will be required to settle its overdraft balance in the foreseeable future.

2. Basis of preparation (continued)

Going concern (continued)
The Directors have also made enquiries to the Directors of Travelopia Adventure Limited to satisfy themselves that there is an expectation that the Group will have sufficient funds available to meet the 70% test at all times.

Throughout the financial year, the Directors of both the Company and the Group have continued to assess the Company and Group's respective current and future cash levels and funding requirements. To do this, the Company and Group prepares 13-week rolling cashflow forecasts, together with monthly forecasts for the remainder of the financial year ending 30 September 2023 ('FY23 forecast'), which, together with the Strategic Plan for FY24 (being the financial year ending 30 September 2024), enable good short term and longer term liquidity outlook. The latest FY23 forecast and Strategic Plan for the Company and the Group form the basis of the Directors' going concern assessments, with the term used in the assessment period being at least one year from the date of signing these financial statements.

The Directors note that in view of the overdraft balance held by the Company's indirect parent in the Group's cash pool, the Company is reliant upon either continued use of the CAA ring-fenced Group's cash pool facility or, in the absence of such, alternative financing to be able to pay liabilities as they fall due and hence remain a going concern. Accordingly, the Directors have obtained a letter of support from the Directors of Travelopia Adventure Limited to confirm that they commit to continue providing sufficient liquidity, to the extent it is necessary. They have also satisfied themselves that the Directors of Travelopia Adventure Limited have an expectation that the Group will have sufficient funds available to meet the 70% test at all times throughout the assessment period under forecasted and reasonably possible downside scenarios. As such, the Directors of the Company have concluded that it is appropriate to prepare these financial statements on a going concern basis.

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

3. Summary of significant accounting policies

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

New and amended standards adopted by the Company
The Company 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.

Other new amendments
The Phase 2 amendments to IFRS 3 – Definition of a business and to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform – have not had any impact on the Company's results in the current or previous financial year.

3. Summary of significant accounting policies (continued)

Revenue

The Company recognises revenue from the sale of expeditions. 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 expeditions. Revenue from sale of expeditions is comprised of one performance obligation and the transaction price is recognised over the duration of the expedition (taking the time elapsed from departure to return) as the Directors consider this the most faithful depiction of transfer of services. For the sale of expeditions, the Company receives part payment of the expeditions by way of a deposit from customers upon booking of the expedition. 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.

Contract liabilities

If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. The Company considers client monies received in advance at the balance sheet date relating to holidays departing after the year end to be contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. They are presented separately from deferred income as they include amounts that may be repaid to the customer in the event of contract cancellation.

Contract liabilities include credit notes arising from a cancelled holiday where the customer has accepted these by the balance sheet date. Where the customer has requested a refund of monies prior to the balance sheet date, the amount included in contract liabilities that is to be repaid is de-recognised and instead recognised as an other creditor.

3. Summary of significant accounting policies (continued)

Computer software and software in development
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.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

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.

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	3 to 5 years

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 are 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 tangible assets which are as follows:

Fixtures and fittings	10 years
Computer and office equipment	3 to 10 years
Expedition equipment	4 years

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.

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.

3. Summary of significant accounting policies (continued)

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.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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.

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

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or 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.

3. Summary of significant accounting policies (continued)

Investments in subsidiaries
Investments are recognised at cost less accumulated impairment losses.

Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less estimated selling expenses. Where necessary, provision is made for obsolete, slow-moving or defective goods.

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 and other Group companies 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 recognises a loss allowance for expected credit losses on financial assets subsequently measured at amortised cost, using the 'general approach' permitted under IFRS 9. The loss allowance is measured at an amount equal to the 12-month expected credit loss amount, unless there has been a significant increase in that asset's credit risk since initial recognition, in which case an amount equal to the lifetime expected credit loss is recognised.

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. 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. 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.

3. Summary of significant accounting policies (continued)

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

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

Pensions
The Company's employees participate 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 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.

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.

Dilapidation provisions
Dilapidation provisions represents the cost of restoring operating leased properties back to their original or required condition at the end of the lease term. The classification between non-current and current liabilities reflects the lease termination date.

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.

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 26. 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	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 trans-actions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group.
IFRS 15 'Revenue from contracts with customers'	The requirements of the second sentence of paragraph 110 and paragraphs 113(a) 114, 115, 118, 119(a) to (c), 120 to 127 and 129	Disaggregation of revenue, explanations of significant changes in contract balances, timing of satisfaction of performance obligations, unsatisfied performance obligations, significant judgements in the application of the standard.

5. Critical judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, 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.

5. Critical judgements and key sources of estimation uncertainty (continued)

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:

Critical judgements

Cash pooling arrangements

During the financial year ended 30 September 2022, 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 2022, the cash and overdraft balances held in the pooled account of Travelopia Adventure Limited was £317,000 (2021: £354,000) and £6,736,000 (2021: £5,963,000). 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.

Key sources of estimation uncertainty

Investments in subsidiary undertakings

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year.

6. Revenue

The Company's revenue originates within the following geographical regions:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
United Kingdom	**6,935**	538
	6,935	538

7. Finance income

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Gains on derivative financial instruments (note 20)	**16**	27
Total finance income	**16**	27

8. Finance expense

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Interest expense on lease liabilities (note 14)	**(7)**	(17)
Total finance expense	**(7)**	(17)

9. Loss on ordinary activities before taxation

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation on property, plant and equipment	**54**	79
Depreciation of ROU assets	**36**	48
Amortisation of intangible assets	**119**	97
Foreign exchange losses/(gains)	**(140)**	92
Administrative expenses - exceptional		
(Reversal of impairment)/impairment of intercompany loan	**40**	(91)
Impairment of investment (note 15)	**664**	-
Other income		
Furlough income	**-**	(142)

Auditor's remuneration

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Fees for the audit of the Company	**45**	-
Non-audit fees – regulatory reporting	**20**	-
	65	-

In the financial year ended 30 September 2021, the audit fees have been incurred by a fellow Travelopia Group company and an amount was included within the management charge for this service. It was possible to identify the portion of the management charge that related to audit fees for that year.

10. Employees and Directors

Employee costs for the Company during the year were:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Wages and salaries	**1,833**	1,721
Social security costs	**206**	181
Other pension costs	**72**	64
	2,111	1,966

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

	Year ended 30 September 2022 Number	Year ended 30 September 2021 Number
Executive, sales and administration	**34**	36

The details of Directors' remuneration paid by the Company in respect of qualifying services received from Directors are as follows:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Directors' remuneration	**363**	325
Pension contributions	**23**	20
	386	345

The remuneration of the highest paid Director is:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Remuneration	**245**	210
Pension contributions	**14**	11
	259	221

Directors' remuneration

Two Directors (2021: two) received remuneration from the Company during the year. During the year, retirement benefits were accruing to two Directors (2021: two) in respect of money purchase pension schemes. The highest paid Director's emoluments were £259,000 (2021: £221,000).

11. Tax credit

The tax credit can be summarised as follows:

(i) Analysis of tax credit in the year

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Current tax:		
Current tax on profits for the year	**(376)**	(331)
Total current tax	**(376)**	(331)
Total tax credit in the statement of total comprehensive income	**(376)**	(331)

(ii) Factors affecting the tax credit in the year

The tax credit (2021: credit) for the year ended 30 September 2022 is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are shown in the table below:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Loss on ordinary activities before taxation	**(2,144)**	(2,163)
Loss on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2021: 19%)	**(407)**	(411)
Effects of:		
- Adjustments in respect of prior periods	**(77)**	-
- Expenses not deductible for tax purposes	**139**	-
- Non-taxable income	**-**	(18)
- Temporary differences not recognised as deferred tax	**(31)**	98
Total tax credit in the statement of total comprehensive income	**(376)**	(331)

(iii) Factors affecting the future tax charge

In March 2021, the UK Chancellor of the Exchequer announced that he intends to increase the main rate of UK corporation tax to 25% from 1 April 2023. As the proposed change had been substantively enacted at the balance sheet date, deferred taxes in these financial statements have been re-measured where the related asset or liability is expected to be realised after this date. The corporation tax rate for the Company and its UK subsidiaries will also change to 25% from this date onwards.

12. Intangible assets

	Computer software £'000	Total £'000
Cost:		
At 1 October 2021	472	472
Accumulated amortisation and impairment:		
At 1 October 2021	97	97
Amortisation charge for the year	119	119
At 30 September 2022	**216**	**216**
Net book value:		
At 30 September 2022	**256**	**256**
At 30 September 2021	375	375

The amortisation charge for the year is recognised in administrative expenses.

13. Property, plant and equipment

	Expedition equipment £'000	Computer and office equipment £'000	Total £'000
Cost:			
At 1 October 2021	228	128	356
Disposals	(82)	(50)	(132)
At 30 September 2022	**146**	**78**	**224**
Accumulated depreciation:			
At 1 October 2021	172	103	275
Charge for the year	35	19	54
Disposals	(75)	(49)	(124)
At 30 September 2022	**132**	**73**	**205**
Net book value:			
At 30 September 2022	**14**	**5**	**19**
At 30 September 2021	56	25	81

14. Leases

The Company has lease contracts with respect to a property based in High Wycombe. During 2022, the Company disposed of a property and entered into a contract for another property. The amounts recognised in the financial statements in relation to these leases are as follows:

(a) Carrying amount of right of use asset

	Land and buildings £'000	Total £'000
Cost		
At 1 October 2021	637	637
Additions	95	95
Disposals	(637)	(637)
At 30 September 2022	**95**	**95**
Accumulated depreciation and impairment		
At 1 October 2021	(589)	(589)
Provided in the financial year	(36)	(36)
Disposals	614	614
At 30 September 2022	**(11)**	**(11)**
Net book value		
At 30 September 2022	**84**	**84**
At 30 September 2021	48	48

(b) Analysis of lease liabilities

	Land and buildings £'000	Total £'000
Lease liabilities		
At 1 October 2021	(256)	(256)
Additions	(95)	(95)
Disposals	121	121
Repayments	145	145
Interest charged	(7)	(7)
At 30 September 2022	**(92)**	**(92)**
At 30 September 2022		
Analysed as:		
Current	(32)	(32)
Non-current	(60)	(60)
	(92)	**(92)**

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

	30 September 2022 £'000	30 September 2021 £'000
Less than one year	37	210
One to two years	42	53
Two to five years	21	-
Total contractual undiscounted lease liabilities	**100**	**263**

14. Leases (continued)

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

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Depreciation of right of use assets (as analysed by asset class in the asset table above)	36	48
Interest expense on lease liabilities (included in finance costs)	7	17
Expenses related to short-term leases (included in administrative expenses)	37	-

15. Investments in subsidiaries

	30 September 2022 £'000	30 September 2021 £'000
Cost		
At 30 September 2021 and 30 September 2022	**664**	664
Impairment		
At 30 September 2021	**-**	-
Impairment charge in the financial year	**(664)**	-
At 30 September 2022	**(664)**	-
Net book value	**-**	664

List of investments in subsidiaries at 30 September 2022:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
World Challenge Expeditions Pty Limited	Australia	Level 5, 163 Eastern Road, South Melbourne, VIC 3205	AUD1.00 Ordinary shares	100	100
World Challenge NZ Limited	New Zealand	Gillies Ave Office Park, Suite 101 27 Gillies Avenue, Newmarket, Auckland, 1023 , New Zealand	NZD1.00 Ordinary shares	-	100
World Challenge Expeditions Inc	USA	Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801	USD0.01 Ordinary shares	100	100

As a result of the slower return of demand than previously expected following the end of the Covid-19 pandemic, the Directors have reviewed the carrying value of its investment into its direct subsidiary, World Challenge Expeditions Pty Limited. The test indicated that there has been an impairment in the carrying value of the investment and accordingly an impairment charge totalling £664,000 (2021: £nil) has been made to reduce the book value of the investment to £nil.

The value in use ('VIU'), as calculated by discounting future cash flows, was used to determine the recoverable value. The key estimate and assumption used in determining the VIU was the expected future earnings over the two-year period of the Group's approved Budget and Strategic Plan. The result of this test is the recognition of a £664,000 impairment charge within administrative expenses, in the Company's Statement of Comprehensive income, thereby impairing the cost of investment in full. The test is sensitive to a change in the key assumption. An increase in the expected pre-tax future earnings of £50,000 in the financial year ending 30 September 2024 and carrying on thereafter would have reduced the impairment charge by £305,000. An increase in the expected pre-tax future earnings of £110,000 in the financial year ending 30 September 2024 and carrying on thereafter would have led to no impairment charge being recognised in the financial year.

16. Deferred tax assets and liabilities

There are no deferred tax liabilities provided or deferred tax assets recognised at either 30 September 2021 or 30 September 2022. 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 2022 that will be settled against future transactions. Other short-term temporary differences principally relate to operating expenses and related accruals and provisions.

Unrecognised deferred tax assets

Deferred tax assets totalling £317,000 (2021: £469,000), comprising a deferred tax asset for fixed asset temporary differences of £327,000 (2021: £304,000), a deferred tax liability for financial instruments of £10,000 (2021: £6,000), tax losses carried forward of £nil (2021: £126,000 asset) and other short term temporary differences of £nil (2021: £45,000 asset), 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.

17. Inventories

	30 September 2022 £'000	30 September 2021 £'000
Expedition equipment	**81**	256

Inventories are stated after provisions for impairment of £nil (2021: £nil).

18. Trade and other receivables

	30 September 2022		30 September 2021	
	Non-current £'000	**Current £'000**	Non-current £'000	Current £'000
Amounts due from Group undertakings	-	**1**	-	30
Trade receivables	**1,070**	-	1,005	12
Other receivables	-	**395**	-	128
VAT	-	**183**		25
Prepayments	-	**175**	-	87
	1,070	**754**	1,005	282

Amounts due from Group undertakings arise from trading operations, and are unsecured, bear no interest and repayable on demand. The Billing and Settlement Plan outstanding balance at year end amounted to £52,000 (2021: £29,000) and is included in other receivables.

19. Trade and other payables

	30 September 2022		30 September 2021	
	Non-current £'000	**Current £'000**	Non-current £'000	Current £'000
Client monies received in advance	**453**	**4,238**	295	4,183
Trade payables	-	**63**	-	17
Amounts due to Group undertakings	-	**799**	-	344
Other payables	-	**196**	-	306
Accruals	-	**1,203**	-	617
	453	**6,499**	295	5,467

At 30 September 2022, the Company had £196,000 (2021: £306,000) of outstanding refunds due to customers whose expeditions were cancelled as a result of Covid-19. These are included in other payables. Amounts due to Group undertakings arise from trading operations, and are unsecured, bear no interest and repayable on demand.

20. Derivative financial assets/(liabilities)

	30 September 2022		30 September 2021	
	Assets	**Liabilities**	Assets	Liabilities
	£'000	**£'000**	£'000	£'000
Forward foreign exchange contracts – cash flow hedges	**41**	**-**	24	-
Total	**41**	**-**	24	-

Fair value measurements

Derivatives are valued in the market using discount 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 discounted cash flow calculations 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 gains of £16,000 (2021: £27,000).

21. Cash and cash equivalents

	30 September 2022	30 September 2021
	£'000	£'000
Cash at bank	**690**	704
	690	704

Included within the cash at bank balance of £690,000 (2021: £704,000) is an amount of £316,703 (2021: £354,000) that is held on behalf of the Company in the bank account of Travelopia Adventure Limited, an indirect parent company, which acts as the Company's cash pool header company.

22. Bank overdraft

	30 September 2022	30 September 2021
	£	£
Bank overdrafts	**6,736**	5,963
	6,736	5,963

The bank overdraft balance of £6,736,333 (2021: £5,963,000) 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.

23. Provisions for liabilities

	Dilapidations non-current	**Total non-current**
	£'000	**£'000**
At 1 October 2021	179	179
Paid	(150)	(150)
Released to the P&L	(29)	(29)
At 30 September 2022	-	-

24. Called up share capital

	30 September 2022	30 September 2021
Issued and fully paid	**£'000**	£'000
40,000 ordinary shares of £1.00 each	**40**	40

25. Reserves

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

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

26. Ultimate parent company and controlling party

The ultimate controlling party of the Company is KKR & Co. Inc, on behalf of funds under its management. The immediate parent company is Experiential Student Travel Group Limited, a Company incorporated and registered in the United Kingdom.

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.