

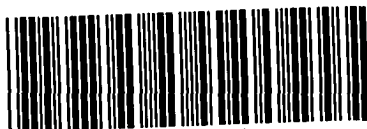
Company Registration Number 02665024

NST Travel Group Limited

Annual Report and Financial Statements

For the year ended 31 August 2022

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NST Travel Group Limited
Annual Report and Financial Statements
For the year ended 31 August 2022

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NST Travel Group Limited

Officers and Professional Advisers

DIRECTORS

S Craven
A G Jones
A J Clark

REGISTERED OFFICE

Discovery House
Brooklands Way
Whitehills Business Park
Blackpool
Lancashire
FY4 5LW

BANKER

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

SOLICITOR

Addleshaw Goddard LLP
One St Peter's Square
Manchester
M2 3DE

AUDITOR

Deloitte LLP
Statutory Auditor
Bristol
United Kingdom
BS1 6GD

NST Travel Group Limited

Strategic Report

For the year ended 31 August 2022

The directors present their strategic report on the affairs of NST Travel Group Limited ('the company'), together with the financial statements and independent auditor's report, for the year ended 31 August 2022.

The Directors, in preparing this strategic report have complied with Section 414c of the Companies Act 2006.

Principal activities

The company's principal activity continues to be that of tour operators, specialising in educational travel.

Business review

The operating results and balance sheet of the company are fully set out in the attached financial statements. Further comments are included below to provide an additional understanding of the company's business and principle risks.

NST Travel Group Limited have made a loss of £1.6m in the current year (2021: £9.9m profit). The value of investments within the entity has not been impacted. The company is a member of the Aldgate Education Topco Limited group.

The financial year continued to be impacted by the coronavirus. During this period the business traded successfully, and bookings, enquiries and conversion trended positively under a slightly later booking curve pattern, which has continued during the financial year.

Our international business was more impacted, but came back strongly as the year progressed. The Department for Education issued updated guidance in July 2021, allowing schools to resume the planning and booking of international trips from September 2021. As such, confidence levels in travelling further afield started to increase. Following the lifting of all international travel restrictions in March 2022, international travel recommenced across our Tours brands.

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The financial performance represents a year of recovery and stabilisation for NST Travel Group Limited following Covid 19. This leaves the Company well placed to capitalise on future growth and development opportunities, and continue to deliver on our purpose of enriching young peoples' lives.

As a consequence of trade being effected by issues such as Covid 19 during the financial year, the group continued to limit losses and protect liquidity by:

- Obtaining relevant government grants
- Making use of HMRC deferral schemes
- Reducing operating costs where applicable during periods of closure
- Working with customers to rearrange bookings

Key performance indicators

The Directors use the following key performance indicators to set targets and measure performance:

- Revenue: Revenue for the year was £20.2m (2021: £14.3m)
- EBITDA: EBITDA for the year was a expense of £1.8m (2021: £10.1m*)

*This EBITDA performance was driven by recognition of FY20 revenues recognised in FY21 due to not meeting variable consideration income recognition accounting standard in FY20.

EBITDA being earnings before interest, taxation, depreciation and amortisation. The key performance indicators above were negatively impacted by the Covid-19 pandemic. These impacts varied dependent upon the stages of Government imposed lockdowns, both in the UK and internationally.

NST Travel Group Limited

Strategic Report (continued)

For the year ended 31 August 2022

Future developments

Looking ahead, future bookings for academic year 22/23 are strong and expected to exceed pre-covid pandemic levels across all UK brands. We continue to see a slightly later booking pattern compared to pre-covid, but we have seen an overall improvement compared to the prior year.

Following our successful emergence from the pandemic we will be seeking to capitalise on development opportunities as they arise while continuing to provide educational travel tours for schools and further education students.

Research and development

The company undertook no identifiable significant research and development in the period.

Events after the balance sheet date

There have been no significant events after the balance sheet date.

Going Concern

The company is a subsidiary of Aldgate Education Topco Limited, which manages its facilities and working capital across the Group.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity risk are described in the report.

A key considerations for the Group are the financial covenants included in the loan agreements. The key covenants include a minimum liquidity level and from August 2023 a minimum EBITDA ("LTM EBITDA") level. The Group has no repayment requirements until 2024.

The Directors have considered forecasts for a 12-month period from the date of the approval of these financial statements, taking account of reasonably possible changes in trading performance given the high visibility of forward bookings. In each forecast scenario these indicate the Group has sufficient financial resources to continue in operation for the foreseeable future and remain compliant with all financial covenants.

The Directors of this company have sought and received an expression of the parent company's commitment to provide such support as may be necessary for the foreseeable future, this has been provided in the form of a letter of support from Aldgate Education Topco Limited declaring the provision of necessary funding for at least one full year from the approval of these financial statements. In relying on this support, the Directors have considered Aldgate Education Topco Limited's ability to continue to provide this support.

Following their assessment of going concern the Directors have concluded that the Group and its subsidiary undertakings have adequate resources to continue to operate for the foreseeable future as a going concern.

Principal risks and uncertainties

Principal risks and uncertainties

The principal risks facing the company's business are:

Liquidity risk

Whilst there are inevitable uncertainties arising as a result of the current economic climate, the directors believe that the strength of the bookings taken in advance, as shown above, and the regular monitoring of cash and capital expenditure mean that the company will continue trading for the foreseeable future.

Increasing inflation and overall increased costs will impact the business, this may be due to many factors, including the Ukraine-Russia conflict impacting energy and food prices. To manage this price increases will be implemented to counteract rising costs.

Market risk

Competitive pressure in the UK is a continuing risk for the group, which could result in it losing sales to its competitors. The group manages this risk by engaging in regular contact with its customers to maintain high levels of satisfaction and assess future trends.

NST Travel Group Limited

Strategic Report (continued)

For the year ended 31 August 2022

Climate Risk

As consumers become more environmentally aware and consider their carbon footprint this could have an adverse effect on demand. NST Travel Group Limited are working at ways to offset its carbon usage by, reducing electricity use, moving to green energy, reducing plastic usage, reducing printing and postage and implementing a plant a tree scheme.

Financial Risk Management Objectives

The company finances its operations through a mixture of retained profits and, where necessary to fund expansion or capital expenditure programmes, through funding from the parent company, HB Education Limited and the ultimate group parent company Aldgate Education Topco Limited.

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The directors of Aldgate Education Midco 2 Limited manage these risks at a group level, rather than at an individual business level. For this reason, the directors of NST Travel Group Limited believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of NST Travel Group Limited. The financial risk management objectives and policies of the Aldgate Education Midco 2 Limited group, which include those of the company are in the group's annual report, which does not form part of this report.

Employee Involvement and Communication

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and regular communication between relevant parties. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Covid-19

The Covid-19 pandemic has had a significant effect on the Group and has presented unprecedented challenges. Potential negative impacts on sales, EBITDA and liquidity as well as potential negative impact to operations due to staff sickness as a result of contracting Covid-19. In response, the Board has been holding regular calls and receiving weekly liquidity reports during the financial year. The STSSG, was formed in response to the pandemic in the prior year, of which the Group was a key member, working together with the DfE, Public Health England and competitors to ensure the sector remained supported and able to open in a safe and secure manner when guidance allowed. The Group has also taken advantage of Government support in the payment of VAT, PAYE and Corporation Tax.

Section 172 statement

The Group's long-term success is at the forefront of the Board's thinking and the Directors have full regard for their duties and the matters set out in Section 172 of the UK Companies Act 2006. This information which follows in this section describes how, in performing their duties during the year, the Directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006.

Long-term consequences of decision-making (s172(1)(a))

The Board delegates day-to-day management and decision making to its senior management team, but it maintains oversight of the Company's performance, and reserves to itself specific matters for approval, including significant new business initiatives. Then, by receiving regular updates on business programmes and objectives, the Board monitors that management is acting in accordance with agreed strategy. Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Groups long-term success.

NST Travel Group Limited

Strategic Report (continued)

For the year ended 31 August 2022

Employees (s172(1)(b))

Our people are essential to our success, future growth, and our aim to build leading market positions. We see their key concerns as being job security and opportunities to develop and advance their careers. We continue to invest substantial time and effort to employ, train, develop and retain employees who are passionate about our business and have influence in our key functional areas. The group engages with its employee through surveys which enables the feedback on their views on what we do well, and what we can do better. Management review the feedback in meetings and implement changes where necessary.

Stakeholder Engagement (s172(1)(c))

The board recognises that relationships with NST Travel Limited's key stakeholders, including its investors, lenders, employees, customers, and suppliers are important in helping the Company to achieve its business aims.

Engagements takes place with our stakeholders at all levels across NST Travel Limited, and the size, diversity of our business and business on a day-to-day basis.

The global nature of the Group means that it can take many different forms. Much of it takes place at an operational level, and this is especially true in respect of our customers and suppliers, with whom we deal in the ordinary course of

Stakeholder Engagement (s172(1)(c))

The board considers and discusses information from across the organisation to help it understand the impact of NST Travel Limited operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Act.

Investors

Investors aim to maximise returns at the level of risk they are willing to assume. Consequently, investor concerns revolve around having continued access to the information they need to assess the relevant risks and ultimately achieving the expected return on their investment.

The long-term success of the company could be adversely affected if investors perceive the required information to be unavailable or unreliable. This in turn could affect their propensity to invest (or reinvest) and the price at which they would be willing to do so. This could hamper the company's ability to achieve its long-term goals.

This structure also serves to ensure that all members of the company, i.e., major investor Ares and senior management, are fairly represented and considered (s172(1)(f)).

Lenders

Like investors, lenders also look to achieve a return on funds they have lent to the Company under the debt facilities they make available. However, returns are generally lower, given risk is lowered through a series of mitigating actions, including the seniority of the facilities in the inter-creditor agreement, securing the facilities with assets of the company setting financial covenants which the company must achieve, and prescribing other obligations which the company must fulfil (including information undertakings).

Lenders are primarily concerned with maintaining the risk level of their lending and as such a company's continued compliance with all obligations related to the facilities. Lenders are also subject to strict anti-money laundering ("AML") regulations, so another key concern is ensuring that they are not aiding money laundering in any way.

The long-term success of the company could be adversely affected if it fails to comply with any of the obligations under its Senior Facilities Arrangement (SFA). This could put the company into default which could be costly to remedy or at worst mean that all the facilities become due and payable on demand. Any such failures could also affect the company's ability to secure future borrowings and impact the related costs.

Under the current SFA a syndicate of lenders provides the company with the liquidity it requires both for working capital purposes, as well as investment in capital projects and acquisitions. As such, is is a key stakeholder in the continued growth of the company.

NST Travel Group Limited

Strategic Report (continued)

For the year ended 31 August 2022

Lenders (continued)

The lenders receive financial information from the company on a monthly and quarterly basis and members of the Board also met with the lenders on several occasions during the year. These sessions helped to broaden the lenders' understanding of the business and answer their questions on trading and forecasts. Amendments to the SFA were also negotiated and enacted during the year and the company complied with all compliance requests received during the year.

Customers

The company is defined by its ability to meet the needs of its customer base. It endeavours to develop mutually beneficial partnerships which drives the long-term success of all parties. Customer concerns centre around the availability, quality and price of products and services and open and honest communications.

Engagement with customers takes place mainly at an operational level within our business areas through telephone conversations, ongoing dialogue through dedicated sales and operations teams, customer relationship managers, and in respect of material customer issues, through our senior management team.

During the year the Board received updates on key customer issues through regular board meetings.

Suppliers

The Board recognises the key role our suppliers play in ensuring the quality of our products and that as a business we meet the high standards of conduct that we set ourselves; both areas playing an important part in the long-term success of the company.

The company works with both large international suppliers as well as small, independent family-run businesses. We aim to be fair and ethical in dealings with all our suppliers, pay them on agreed terms and be a collaborative and responsive partner, which we believe addresses their key concerns.

Community and environment (s172(1)(d))

We engage with the communities in which we operate to build trust and understand local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and be responsible stewards of the environment.

Reputation for high standards of business conduct (s172(1)(e))

The board is responsible for developing a corporate culture which promotes integrity and transparency. It has established systems of corporate governance, and approves policies and procedures which promote corporate responsibility and ethical behaviour.

The need to act fairly between members of the company (s172(1)(f))

The board has a responsibility to ensure that there is no information asymmetry and that all members receive the same information. The board has established reporting, meetings and information sharing systems to ensure that members are treated fairly.

The Strategic Report of NST Travel Group Limited, registered number 02665024 was approved by the Board of Directors on 27 January 2023 and signed on its behalf by:



A G Jones
Director

Director

NST Travel Group Limited

Directors' Report

For the year ended 31 August 2022

The directors present their report on the affairs of NST Travel Group Limited ('the Company'), together with the financial statements, strategic report and auditor's report, for the year ended 31 August 2022.

Strategic report

Information relating to the business review, post balance sheet events and the future prospects of the Group can be found in the Strategic Report on pages 2 to 6.

Directors

The directors who served during the year and thereafter, unless otherwise noted, were as follows:

S Craven
A G Jones
L T Creighton (resigned 1 July 2022)
A J Clegg (resigned 30 November 2021)
A C Clegg (resigned 30 November 2021)
N A Currie (resigned 30 November 2021)
A J Clark (appointed 20 September 2022)

Director Indemnities

Aldgate Education Topco Limited maintain liability insurance for the Directors and officers of Aldgate Education Topco Limited and its subsidiaries. Neither the insurance nor the indemnity provides cover where a director acts fraudulently or dishonestly. The company has made qualifying third-party indemnity provisions for the benefit of the company's Directors which were made during the year and remain in force at the date of this report.

Dividends

The company paid a dividend of £nil (£nil per share) during the year (2021: £nil (£nil per share)). No dividends have been proposed since 31 August 2022.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks (see strategic report on page 2-6). Directors are proactive in monitoring risks and take quick and decisive action where necessary. Further information can be found in the strategic report.

The company has no significant concentration of credit risk, with exposure spread over a large number of customers who generally pay in advance of services being provided.

Political contributions

No political donations were made in either period.

Existence of branches outside the UK

The company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

Information to Auditor

Each of the persons who is a director of the company at the date of approval of this report and financial statements confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself 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 section 418 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act, 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

NST Travel Group Limited

Directors' Report (continued) For the year ended 31 August 2021

Approved by the board of directors and signed on its behalf by:



A G Jones

27 January 2023

Date:

Signed:

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Date:

Signed:

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the

the

NST Travel Group Limited

Directors' Responsibilities Statement

For the year ended 31 August 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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Independent auditor's report to the members of NST Travel Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NST Travel Group (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its loss 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 profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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

Independent auditor's report to the members of NST Travel Group Limited (continued)

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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group 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 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 group's ability to operate or to avoid a material penalty. These include Health and safety legislation, ABTA and ATOL rules and CAA Bonds.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent auditor's report to the members of NST Travel Group Limited (continued)

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

- **Completeness of deferred income**
 - We have identified fraud risks in relation to the completeness of deferred income. Specifically, the recognition of revenue for trips which did not depart until after the year end.
 - Our procedures to respond to the risks identified included the following:
 - Reconciling cash received to revenue recognised in the current period and amounts deferred for trips departing in future periods.
 - Reconciling amounts invoiced pre year end for trips departing post year end to amounts deferred.
 - Performing substantive testing on the booking system by agreeing departure dates to issued invoices.
 - Performing substantive testing on cash received during the year by agreeing cash receipts to bank statement.

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 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.

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 ^{state:} 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.

Independent auditor's report to the members of NST Travel Group Limited (continued)

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.



Edward Bell (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Bristol, UK

27 January 2023

NST Travel Group Limited
Profit and Loss Account
For the year ended 31 August 2022

		Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
	Note		
Turnover	5	20,242	14,253
Cost of sales		(17,716)	193
Gross profit		2,526	14,446
Administrative expenses		(6,267)	(5,431)
Other operating income	7	1,898	1,101
Operating (loss)/profit		(1,843)	10,116
Interest payable and similar expenses	10	(12)	(12)
(Loss)/Profit before taxation		(1,855)	10,104
Tax on (loss)/profit	11	234	(235)
(Loss)/Profit for the financial year attributable to owners of the Company		(1,621)	9,869

The accompanying notes form an integral part of these financial statements.

Turnover and operating (loss)/profit are all derived from continuing operations.

The Company has no other comprehensive income or expense in either year other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

NST Travel Group Limited
Balance sheet
As at 31 August 2022

	Note	At 31 August 2022 £'000	At 31 August 2021 £'000
Fixed assets			
Intangible assets	12	-	-
Right of use assets	13	2,967	3,162
Property, plant and equipment	14	4	5
Investments	15	78,638	76,343
		<u>81,609</u>	<u>79,510</u>
Current assets			
Debtors	16	16,778	2,326
Cash at bank and in hand		806	4,358
		<u>17,584</u>	<u>6,684</u>
Creditors: Amounts falling due within one year	17	(74,080)	(58,976)
Net current liabilities		<u>(56,496)</u>	<u>(52,292)</u>
Total assets less current liabilities		<u>25,113</u>	<u>27,218</u>
Creditors: Amounts falling due after more than one year	17	(2,923)	(3,407)
Net assets		<u>22,190</u>	<u>23,811</u>
Capital and reserves			
Called up share capital	19	150	150
Profit and loss account		22,040	23,661
		<u>22,190</u>	<u>23,811</u>

The accompanying notes form an integral part of these financial statements.

The financial statements of NST Travel Group Limited (registered number 02665024) were approved by the board of directors and authorised for issue on 27 January 2023.

They were signed on its behalf by:



A G Jones
Director

NST Travel Group Limited
Statement of changes in equity
For the year ended 31 August 2022

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 September 2020	150	13,792	13,942
Profit for the year, being total comprehensive income	-	9,869	9,869
Balance at 31 August 2021	150	23,661	23,811
Loss for the year, being total comprehensive expense	-	(1,621)	(1,621)
Balance at 31 August 2022	150	22,040	22,190

The accompanying notes form an integral part of these financial statements.

NST Travel Group Limited

Notes to the financial statements

For the year ended 31 August 2022

1. General information

NST Travel Group Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The company is exempt under section 400 of the companies act 2006 from the preparation of consolidated financial statements, because it is included in the group financial statements of Aldgate Education Midco 2 Ltd. The group financial statements of Aldgate Education Midco 2 Ltd are available to the public and can be obtained as set out in note 23.

2. Adoption of new and revised Standards

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, there have been no amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for the annual period covered by these financial statements that have been required to be adopted.

3. Significant accounting policies

Basis of accounting

The financial statements of the company have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 100) 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

NST Travel Group Limited

Notes to the financial statements (continued)

For the year ended 31 August 2022

3. Significant accounting policies (continued)

Going concern

The company is a subsidiary of Aldgate Education Topco Limited, which manages its facilities and working capital across the Group.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity risk are described in the report.

A key consideration for the Group are the financial covenants included in the loan agreements. The key covenants include a minimum liquidity level and from August 2023 a minimum EBITDA ("LTM EBITDA") level. The Group has no repayment requirements until 2024.

The Directors have considered forecasts for a 12-month period from the date of the approval of these financial statements, taking account of reasonably possible changes in trading performance given the high visibility of forward bookings. In each forecast scenario these indicate the Group has sufficient financial resources to continue in operation for the foreseeable future and remain compliant with all financial covenants.

The Directors of this company have sought and received an expression of the parent company's commitment to provide such support as may be necessary for the foreseeable future, this has been provided in the form of a letter of support from Aldgate Education Topco Limited declaring the provision of necessary funding for at least one full year from the approval of these financial statements. In relying on this support, the Directors have considered Aldgate Education Topco Limited's ability to continue to provide this support.

Following their assessment of going concern the Directors have concluded that the Group and its subsidiary undertakings have adequate resources to continue to operate for the foreseeable future as a going concern.

Intangible assets

Intangible assets related to internally generated intangible assets for website and mobile application development expenditure. Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the Company's website and mobile application development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the profit and loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which is 33% straight-line. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets that are purchased in the normal course of business are initially recognised at cost. Subsequently to initial recognition purchased intangible assets are reported as cost less accumulated amortisation and accumulated impairment losses. Amortisation for purchased intangible assets is recognised on a straight-line basis over their estimated useful lives which is 33% straight-line.

NST Travel Group Limited

Notes to the financial statements (continued)

For the year ended 31 August 2022

3. Significant accounting policies (continued)

Intangible assets (continued)

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Computer and IT Equipment	25% straight line
Plant and machinery	10% straight line
Fixtures and fittings	25% straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

3. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NST Travel Group Limited

Notes to the financial statements (continued)

For the year ended 31 August 2022

3. Significant accounting policies (continued)

Financial instruments (continued)

De-recognition of financial assets (continued)

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NST Travel Group Limited

Notes to the financial statements (continued)

For the year ended 31 August 2022

3. Significant accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the average rates of exchange prevailing during the month of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Turnover recognition

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when the risks and rewards are transferred to the customer and this is considered by the directors to be the date of departure.

Other operating income

Other operating income is measured at the fair value of the consideration received or receivable and represents the amounts receivable, excluding VAT and similar taxes, for the services provided to the group companies. Other operating income is recognised in the profit and loss account on the date when the service has been provided.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Stocks

Stock represents restaurant vouchers and attraction tickets held by the Company for resale. Stock is valued at the lower of cost and net realisable value, after making due allowances for slow moving and obsolete items.

Leases

The company continues to recognise all leases in line with IFRS 16

IFRS 16 changed how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

- (a) Recognises right-of-use assets and lease liabilities in the balance sheet, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii); and
- (b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within the administrative expenses item.

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the balance sheet for the year ended 31 August 2022 was 2.9% (2021: 2.9%).

NST Travel Group Limited

Notes to the financial statements (continued)

For the year ended 31 August 2022

3. Significant accounting policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss 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. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered and concluded that there are no critical accounting judgements or key sources of estimation uncertainty impacting the financial statements.

5. Turnover

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Continuing operations		
United Kingdom	18,451	14,090
Republic of Ireland	1,791	163
Total turnover	20,242	14,253

Presented above is the turnover analysed by geographical location (source market). Turnover is wholly attributable to the principal activity of the Company as noted in the strategic report.

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

6. Profit/(loss) for the financial year

Profit/(loss) for the year has been arrived at after (crediting)/charging:

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Net foreign exchange gains	(256)	(60)
Depreciation of tangible fixed assets	-	5
Depreciation of right of use assets	195	194
Staff costs (see note 9)	4,123	2,740
Inventory Expenses	-	4
<u>Operating lease costs:</u>		
Land and Buildings	250	250
Plant and Equipment	10	9

Government support in relation to the Covid-19 pandemic: During the year the company received Government support of £10k (2021: £1,038k) in relation to the Coronavirus Job Retention Scheme. Coronavirus Job Retention Scheme benefit is recognised in other operating income.

As at 31 August 2022 deferred PAYE payments totalled £272k (2021: £391k).

7. Other operating income

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Management charged received from NST Transport Services Limited	1,676	63
Management charged received from European Study Tours Limited	19	-
Management charged received from EST Transport Services Limited	193	-
Coronavirus Job Retention Scheme	10	1,038
	<u>1,898</u>	<u>1,101</u>

8. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £34,750 (2021: £31,850).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of Aldgate Education Midco 2 Ltd to disclose such fees on a consolidated basis.

9. Staff costs

The average monthly number of employees was:

	Year ended 31 August 2022 Number	Year ended 31 August 2021 Number
Office and management	46	49
Sales and tour operators	64	71
	<u>110</u>	<u>120</u>

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

9. Staff costs(continued)

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Their aggregate remuneration comprised:		
Wages and salaries	3,703	2,374
Social security costs	273	196
Other pension costs	147	170
	<u>4,123</u>	<u>2,740</u>

Directors remuneration is disclosed in the financial statements of Aldgate Education Bidco Limited, fellow subsidiary of Aldgate Education Topco Limited.

It is not practicable to allocate their remuneration between their services as directors of NST Travel Group Limited and their services as directors of other companies within the group.

10. Interest payable and similar expenses

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Interest payable to group companies	<u>12</u>	<u>12</u>
Total interest payable	<u>12</u>	<u>12</u>

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

11. Tax

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the period can be reconciled to the profit in the profit and loss account as follows:

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Corporation tax:		
Current tax on profit/(loss) for the year	(234)	239
	<hr/>	<hr/>
Deferred tax: (note 20)		
Current Year	-	(4)
	<hr/>	<hr/>
	(234)	235
	<hr/>	<hr/>

In the March 2021 Budget, the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. This change has been enacted at the balance sheet date but the corporation tax rate used for the year ended 31 August 2022 is 19%.

The directors are not aware of any other factors that will materially affect the future tax charge.

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Profit/(loss) before tax	(1,855)	10,104
	<hr/>	<hr/>
Tax at the UK corporation tax rate of 19% (2021: 19%)	(352)	1,920
Adjustments in respect of prior years	118	(47)
Tax rate changes	-	(7)
Group relief (claimed)	-	(1,631)
	<hr/>	<hr/>
Tax (credit)/(expense) for the year	(234)	235
	<hr/>	<hr/>

Group relief has been surrendered to other group companies under Aldgate Education Midco 2 Limited.

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

12. Intangible assets

	Product Development £'000
Cost	
At 1 September 2021	12
At 31 August 2022	12
Amortisation	
At 1 September 2021	12
At 31 August 2022	12
Net book value	
At 31 August 2022	-
At 31 August 2021	-

The amortisation period for product development costs incurred on the Company's travel app (Vamoos) is 3 years.

13. Right of use assets

	Land and buildings £'000	Total £'000
Cost		
At 1 September 2021	3,551	3,551
At 31 August 2022	3,551	3,551
Accumulated depreciation		
At 1 September 2021	389	389
Charge for the year	195	195
At 31 August 2022	584	584
Carrying amount		
At 31 August 2022	2,967	2,967
At 31 August 2021	3,162	3,162

Right-of-use assets

	2022 £'000	2021 £'000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	195	194
Interest expense on lease liabilities	91	95
Expense relating to leases of low value assets	10	9
Total fixed lease payments made	250	250

At 31 August 2022, the Company is committed to £nil for short-term leases (2021: £nil).

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

14. Tangible assets

	Computer and IT equipment £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2021	56	12	455	523
At 31 August 2022	56	12	455	523
Accumulated depreciation				
At 1 September 2021	56	8	454	518
Charge for the year	-	-	1	1
At 31 August 2022	56	9	454	519
Carrying amount				
At 31 August 2022	-	4	-	4
At 31 August 2021	-	4	1	5

15. Fixed asset investments

	Shares in Group undertakings £'000	Amounts owed by Group undertakings £'000	Total £'000
As at 1 September 2021	2	76,341	76,343
Movement on amounts owed by Group undertakings	-	2,297	2,297
As at 31 August 2022	2	78,638	78,640

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. No impairment occurred in either the current or prior period.

Management has assessed the classification of amounts owed by fellow subsidiaries of Aldgate Education Midco 2 Ltd and determined that such amounts should be classified as non-current assets on the face of the balance sheet given there is no intention for these balances to be repaid within 12 months of the balance sheet date.

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment (2021: same).

Fixed asset investments

Details of subsidiary undertakings at 31 August 2022 were:

Company and registered office	Country of registration or incorporation	Principal activity	Class	Proportion and class of shares held %
NST Transport Services Limited Discovery House, Brooklands Way Whitehills Business Park, Blackpool FY4 5LW	England	Transport	Ordinary	100

The company's voting rights in respect of its subsidiary undertaking is held in the same proportion as the company's share of the ordinary share capital of the subsidiary.

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

16. Debtors

	At 31 August 2022 £'000	At 31 August 2021 £'000
Amounts falling due within one year:		
Trade debtors	6,128	25
Other debtors	7,495	1,797
Prepayments	2,793	474
Corporation Tax	332	-
Deferred taxation (note 18)	30	30
	<u>16,778</u>	<u>2,326</u>

Trade debtors disclosed above include amounts paid to suppliers in advance of departure and amounts owed by customers.

17. Creditors

Amounts falling due within one year	At 31 August 2022 £'000	At 31 August 2021 £'000
Trade creditors	1,599	274
Amounts owed to fellow subsidiaries of Aldgate Education Midco 2 Limited	54,249	53,809
Accruals	831	844
Deferred income	16,917	3,311
Corporation Tax	-	315
Other creditors	320	21
Other taxation and social security	-	243
Right of use liability	164	159
	<u>74,080</u>	<u>58,976</u>
Amounts falling due after more than one year	At 31 August 2022 £'000	At 31 August 2021 £'000
Deferred income	-	321
Right of use liability	2,923	3,086
	<u>2,923</u>	<u>3,407</u>

Amounts owed to Group undertakings are unsecured, bear no interest and have no fixed date of repayment (2021: same).

The deferred income arises as a result of bookings with a departure date after the financial year end. The turnover will be recognised at the date of departure.

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

18. Deferred tax

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior reporting period.

	Retirement Benefits £'000	Fixed Assets £'000	Total £'000
At 1 September 2021	5	25	30
Charge to profit or loss	4	(4)	-
At 31 August 2022	<u>9</u>	<u>21</u>	<u>30</u>

Management has assessed, based on the latest forecasts that the Company is expected to generate sufficient profits in future periods to conclude that the deferred tax asset is recoverable.

19. Share capital

	At 31 August 2022 £'000	At 31 August 2021 £'000
Authorised, issued and fully paid:		
142,500 'A' ordinary shares of £1 each	142	142
7,500 'B' ordinary shares of £1 each	8	8
	<u>150</u>	<u>150</u>

All shares rank equally in all respects.

The profit and loss account is the aggregate of the cumulative profit and loss, other comprehensive income less dividends paid.

20. Related party transactions

The Company has taken advantage of the reduced disclosure exemption available in FRS 101(8k) to disclose transactions entered into between the Company and other fully owned subsidiaries of Aldgate Education Midco 2 Limited.

There were no other transactions with related parties.

21. Ultimate parent company

In the opinion of the directors, the company's ultimate parent company is Aldgate Education Topco Limited and the ultimate controlling party is Holiday Investment S.à r.l, a company incorporated in Luxembourg.

The smallest and largest group for which group financial statements have been drawn up is that headed by Aldgate Education Midco 2 Limited. The financial statements can be obtained from its registered address at Aldgate Education Midco 2 Limited, Alton Court, Penyard Lane, Ross-On-Wye, Herefordshire, HR9 5GL.

The immediate parent undertaking is HB Education Limited.

NST Travel Group Limited
Notes to the financial statements (continued)
For the year ended 31 August 2022

22. Contingent liabilities

As at 31 August 2022, contingent liabilities amounted to £3,585k (31 August 2021: £3,354k). They are attributable to legal claims for insurance claims received, which settlement is possible, in relation to Covid interrupted trips and are reported at an amount representing the best estimate required to meet the potential obligation at the balance sheet date. Taking into account the uncertainty associated with the legal basis for these claims, coupled with the advice that the Directors have received on the strength of the various legal defences that the Business has against such claims, the Directors have concluded that the Business has a possible, but not probable, legal obligation in respect of these claims. The claims deemed probable have been recorded as a liability in the financial statements..