

**DESTINOLOGY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**DESTINOLOGY LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Brian Cassidy Rick Green Duncan Wilson
<b>Registered number</b>	04293908
<b>Registered office</b>	42 High Street Northwood Middlesex HA6 1BL
<b>Independent auditors</b>	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

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**DESTINOLOGY LIMITED**

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**Review of developments and future prospects**

The directors present their report and the financial statements for the 17 month period ended 31 December 2021. The prior period was for 18 month period ended 31 July 2020.

The Company was acquired on 20 October 2020 by Brooklyn Travel Limited. The Company changed its financial period in order to align its financial period end date with the Brooklyn Travel group companies following its acquisition by the Group. As part of the Brooklyn Travel Group, the Company operates with the strategic objective of growing a significant presence in the long-haul and high-end travel market. During the calendar year 2021 the business was very much re-modelled in terms of product, marketing and personnel. The business is now very well placed to capitalise on a multitude of growth opportunities.

Total Transaction Value ("TTV") for the period is £30,460,409 (2020: £65,182,010 as restated). Gross Profit for the period is £4,452,470 (2020: £5,895,815 as restated) and EBITDA is a profit of £5,198,939 (2020: loss of £5,060,433 as restated).

Period on period comparison of trading performance serves no credible purpose as: (i) the comparatives include a pro-longed period during which Saga Plc operated the business as non-core with an associated operational and strategic vacuum; (ii) the comparatives and the 2021 financials include significant pre-sale write downs and adjustments in respect of pre-sale amounts owed to Saga Plc; and (iii) the Covid-19 pandemic significantly adversely impacted both the 2021 and the 2020 financials. During 2021 the appetite for travel was very much dependent upon the public perception of the Covid risk; when things improved the business benefitted from the pent-up demand for travel only for the Covid risk to increase and again choke off the demand. Towards the end of the period, the underlying trends were very much positive.

With the improved Covid-19 outlook for the UK, and for those destinations to which the clients of the business generally travel, management is optimistic that the worst of the business impact of the pandemic is in the past. Whilst the travel industry has learned that it must remain pragmatic in dealing with the potential for Covid related travel restrictions management is nevertheless confident that 2022 will see an improved year over outturn relative to 2021.

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## DESTINOLOGY LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### Principal risks and uncertainties

The Board meets regularly and evaluates the Company's risk position. The principal risks and uncertainties facing the Company are detailed below.

The operational risk is primarily reliance on supply from tour operators, hoteliers, airlines, and changes in general economic and other business conditions which may adversely affect demand for tourism products.

Liquidity risk – The Company maintains sufficient funds for operational liquidity. The Board considers liquidity risk at Board meetings through monitoring of cash levels and detailed cash flow forecasts. Funding to date has been obtained through operational activities and from parent company.

Foreign currency risk – The Company incurs limited purchases denominated in foreign currencies. The Board considers foreign currency risk at Board meetings and directs an appropriate medium and longer term hedging strategy.

Interest rate risk – To the extent that non-operational finance is required it is organised through the parent company and accordingly no interest rate risk arises.

Management believe the Company can meet key business risks in respect of competition and employee retention.

Travel risk – Restrictions, or a loss of confidence, in travel as a result of international health issues such as Covid-19 (and in particular the continued issues surrounding the Covid-19 pandemic) pose a risk to the Company. When such issues arise, the Board actively monitor trends in the development of the particular issue, assess the likely impact on customer demand, and seek to maximise the offsetting impact of mitigating actions.

Geopolitical risk – restrictions, or a loss of confidence, in travel as a result of geopolitical tensions pose a risk to the confidence of the travelling public with an associated adverse impact on the Company. When such issues arise, the Board actively monitor trends in the development of the particular issue, assess the likely impact on customer demand, and seek to maximise the offsetting impact of mitigating actions.

#### Financial key performance indicators

The financial indicators of the company are:

	<b>17 months ended 31 December 2021 £</b>	<b>As restated 18 months ended 31 July 2020 £</b>	<b>Variance %</b>
Total Transaction Value	30,460,409	65,182,010	(53)
Gross Profit	4,452,470	5,895,815	(24)
EBITDA (before management charges)	5,198,939	(5,060,433)	203

This report was approved by the board on 28 March 2022 and signed on its behalf.

**Duncan Wilson**  
Director

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## DESTINOLOGY LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the period ended 31 December 2021. The prior period was for 18 month period ended 31 July 2020.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

#### Principal activity

The Company is a limited company incorporated in England and Wales. The principal activity of the Company in the period under review was that of a travel agent.

#### Results and dividends

The profit for the period, after taxation, amounted to £3,887,730 (2020 - loss £6,537,311).

During the period the company paid a dividend of £Nil (2020: £Nil).

#### Directors

The directors who served during the period were:

Brian Cassidy (appointed 20 October 2020)  
Rick Green (appointed 20 October 2020)  
Duncan Wilson (appointed 20 October 2020)  
Victoria Haynes (resigned 20 October 2020)  
Stephen Jenkins (resigned 20 October 2020)  
Deborah Windle (resigned 20 October 2020)

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## DESTINOLOGY LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### Employees and disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude without discrimination of any kind. Management actively pursue both the employment of disabled persons whenever suitable vacancies arise and the continued employment and retraining of employees who become disabled whilst employed by the Company.

The Company's policy is to consult and discuss with employees matters likely to affect employee's interests. Information on matters of concern to employees is given through information bulletins and face-to-face meetings with management. Information on the Company's performance is maintained through a regular newsletter and bi-annual conferences. The Performance and Development Review process ensure employees are made aware of their individual contribution to the business.

#### Matters covered in the Strategic report

Management's review of developments and future prospects and principal risks and uncertainties are included in the Strategic Report.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 March 2022 and signed on its behalf.

**Duncan Wilson**

Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED**

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**Opinion**

We have audited the financial statements of Destinology Limited (the 'Company') for the period ended 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 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.

**Opinion 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 period 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.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

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## DESTINOLOGY LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED (CONTINUED)

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#### Auditors' 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 Auditors' 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.

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:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the Company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the Company's remuneration and bonus policies and performance targets; and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax and pension legislation, distributable profits legislation, CAA, ABTA and IATA regulations;
- the timing of the recognition of commercial income;
- management bias in selecting accounting policies and determining estimates; and
- recoverability of debtors.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of matters reported to management and the result of the subsequent investigation;

obtaining an understanding of the relevant controls during the period;

- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the period;

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DESTINOLOGY LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED (CONTINUED)

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- review documentation relating to compliance with the regulations relating to health and safety including health and safety certificates; and fire assessment reports;
- review documentation relating to compliance with the regulations relating to the CAA; ABTA; and IATA including CAA and ABTA returns;
- challenging assumptions made by management in their specific accounting policies and estimates, in particular in relation to booking cancellation provision;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue;
- assessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- reviewing the correspondence with HMRC; and
- evaluating the underlying business reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

**Shilen Manek ACA FCCA (Senior statutory auditor)**

for and on behalf of  
**Simmons Gainsford LLP**

Chartered Accountants  
Statutory Auditors

14th Floor  
33 Cavendish Square  
London  
W1G 0PW



DESTINOLOGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2021

		17 months ended 31 December 2021	As restated 18 months ended 31 July 2020
	Note	£	£
<b>Total Transaction Value</b>	<b>30,460,409</b>	<b>65,182,010</b>	
Turnover	4	30,642,151	65,182,010
Cost of sales		(26,189,681)	(59,286,195)
<b>Gross profit</b>		<b>4,452,470</b>	<b>5,895,815</b>
Administrative expenses		(7,590,536)	(12,907,248)
Exceptional income	10	6,318,137	-
Other operating income	5	507,955	-
<b>Operating profit/(loss)</b>		<b>3,688,026</b>	<b>(7,011,433)</b>
Interest receivable and similar income	8	77	15,770
Other finance income		46,166	136,352
<b>Profit/(loss) before tax</b>		<b>3,734,269</b>	<b>(6,859,311)</b>
Tax on profit/(loss)	9	153,461	322,000
<b>Profit/(loss) for the financial period</b>		<b>3,887,730</b>	<b>(6,537,311)</b>
<b>Other comprehensive income for the period</b>			
Movement on capital contribution reserves		5,748	7,000
<b>Other comprehensive income for the period</b>		<b>5,748</b>	<b>7,000</b>
<b>Total comprehensive income for the period</b>		<b>3,893,478</b>	<b>(6,530,311)</b>

The notes on pages 13 to 32 form part of these financial statements.

**DESTINOLOGY LIMITED**  
**REGISTERED NUMBER: 04293908**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

		31 December 2021 £	As restated 31 July 2020 £
	Note		
<b>Fixed assets</b>			
Intangible assets	11	21,167	1,056,928
Tangible assets	12	3,780	408,266
		<u>24,947</u>	<u>1,465,194</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	11,221,116	3,450,330
Cash at bank and in hand	14	4,609,697	3,128,695
		<u>15,830,813</u>	<u>6,579,025</u>
Creditors: amounts falling due within one year	15	(15,839,359)	(11,902,929)
<b>Net current liabilities</b>		(8,546)	(5,323,904)
<b>Total assets less current liabilities</b>		<u>16,401</u>	<u>(3,858,710)</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	-	(18,367)
		<u>-</u>	<u>(18,367)</u>
<b>Net assets/(liabilities)</b>		<u><u>16,401</u></u>	<u><u>(3,877,077)</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	30,000	30,000
Capital redemption reserve	19	-	(5,748)
Profit and loss account	19	(13,599)	(3,901,329)
		<u>16,401</u>	<u>(3,877,077)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2022.

**Brian Cassidy**  
Director

The notes on pages 13 to 32 form part of these financial statements.

DESTINOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 August 2020 (as previously stated)	30,000	(5,748)	(3,984,613)	(3,960,361)
Prior period adjustment	-	-	83,284	83,284
At 1 August 2020 (as restated)	<u>30,000</u>	<u>(5,748)</u>	<u>(3,901,329)</u>	<u>(3,877,077)</u>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	3,887,730	3,887,730
Movement on capital contribution reserve	-	5,748	-	5,748
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>5,748</u>	<u>-</u>	<u>5,748</u>
<b>At 31 December 2021</b>	<u><u>30,000</u></u>	<u><u>-</u></u>	<u><u>(13,599)</u></u>	<u><u>16,401</u></u>

The notes on pages 13 to 32 form part of these financial statements.



DESTINOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 February 2019 (as previously stated)	30,000	(12,748)	2,599,982	2,617,234
Prior period adjustment	-	-	36,000	36,000
At 1 February 2019 (as restated)	<u>30,000</u>	<u>(12,748)</u>	<u>2,635,982</u>	<u>2,653,234</u>
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(6,537,311)	(6,537,311)
Movement on capital contribution reserve	-	7,000	-	7,000
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
<b>At 31 July 2020</b>	<u><u>30,000</u></u>	<u><u>(5,748)</u></u>	<u><u>(3,901,329)</u></u>	<u><u>(3,877,077)</u></u>

The notes on pages 13 to 32 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**1. General information**

Destinology Limited is a private company limited by shares and is incorporated in England and Wales, registration number 04293908. The address of the registered office is 42 High Street, Northwood, Middlesex, HA6 1BL.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

These financial statements were previously prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the European Union (EU). The management considered the change of accounting standards to Financial Reporting Standard 102 would align the Company's accounting policy with the group it's in. The change results in restatements being made to the comparatives in these financial statements, the impact of which is being explained in Note 27.

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Brooklyn Travel Holdings Limited as at 31 December 2021 and these financial statements may be obtained from 42 High Street, Northwood, Middlesex, United Kingdom, HA6 1BL.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements have been prepared on the Going Concern basis. Management has prepared detailed financial projections that stretch out for 21 months beyond the date of signing of these accounts that support the Going Concern basis of preparation. In these projections assumptions have been made as to when the negative impact on travel bookings of the Covid-19 Pandemic will begin to recede and when the generally perceived pent-up demand for travel will flow through to a booking level that would be regarded as normal. In this regard account has been taken of the successful and rapidly rolled out Covid-19 vaccination, and associated booster, programme in the UK and in destination countries. Management is conscious that Covid-19 may continue to have an impact on the business for some time to come but, during the course of the past 17 months (post acquisition), has taken the necessary action to ensure that headroom is available in the financial projections should the trading assumptions therein prove to be insufficiently conservative. The relevant headroom has been generated through Governmental Assistance in the form of the Government Job Retention Scheme and individual location grants and strict controls on discretionary spend. On a group level, in the period ended 31 December 2020, the parent company received a Coronavirus Large Business Interruption Loan and drew down on a Revolving Credit Facility. The financial projections prepared to support the Going Concern basis do not show the need for further financial support such as that noted above though, should the Covid-19 Pandemic significantly impact the general economy over the next 12 months, it is likely that some or all such support can be accessed in some form together with access to shareholder funds.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company acts as Principal in organising a client's holiday with the related total transaction value accounted for as revenue.

All revenue in relation to organising client's holiday is recognised on booking date in the current period. Revenue was previously recognised on a departure date basis until the acquisition of the Company by the Brooklyn Travel Holdings Limited group on 20 October 2020. A prior year adjustment has been posted to restate the comparative figures in order to align the revenue recognition policy of the prior period to that of this period's. The impact of the prior year adjustment is explained in Note 21.

**2.6 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.10 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.11 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.12 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.13 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.13 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 5 years straight line
Fixtures and fittings	- 5 years straight line
Office equipment	- 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.14 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.15 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.16 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.17 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.19 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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DESTINOLOGY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in accordance with generally accepted financial accounting principles requires the directors to make critical accounting estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The key estimates and assumptions that have a significant risk of causing material adjustments to the carrying value of assets and liabilities are the calculation of cancellation of booking provision. The directors have made such calculation using the historic trend of booking cancellation and gross profit margin data, which they believe would provide them with a provision figure with the best accuracy.

4. Turnover

An analysis of turnover by class of business is as follows:

	17 months ended 31 December 2021 £	As restated 18 months ended 31 July 2020 £
Sales as Principal without supply side commitment	30,642,151	65,182,010
	<u>30,642,151</u>	<u>65,182,010</u>

Analysis of turnover by country of departure:

	17 months ended 31 December 2021 £	As restated 18 months ended 31 July 2020 £
United Kingdom	30,642,151	65,182,010
	<u>30,642,151</u>	<u>65,182,010</u>



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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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5. Other operating income

	17 months ended 31 December 2021 £	18 months ended 31 July 2020 £
Inter-company recharges	150,000	-
Government Job Retention Scheme Claims	66,684	-
Sundry income	291,271	-
	<u>507,955</u>	<u>-</u>

6. Auditors' remuneration

	17 months ended 31 December 2021 £	18 months ended 31 July 2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>22,000</u>	<u>85,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

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NOTES TO THE FINANCIAL STATEMENTS  
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7. Employees

Staff costs were as follows:

	17 months ended 31 December 2021 £	18 months ended 31 July 2020 £
Wages and salaries	3,852,409	4,232,503
Social security costs	329,644	430,366
Cost of defined contribution scheme	120,977	187,241
	<u>4,303,030</u>	<u>4,850,110</u>

Included in wages and salaries is a total charge of the share-based payments of £Nil (2020: £7,000).

Redundancy costs were incurred by the Company during the period. These costs were borne by the Company's former parent company as per the share purchase agreement and are therefore not included in the profit and loss account in the period.

The average monthly number of employees, including the directors, during the period was as follows:

	17 months ended 31 December 2021 No.	18 months ended 31 July 2020 No.
Directors	3	3
Sales	28	39
Operations	31	43
Administrative	16	24
	<u>78</u>	<u>109</u>

DESTINOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

8. Interest receivable

	17 months ended 31 December 2021 £	18 months ended 31 July 2020 £
Other interest receivable	77	15,770
	<u>77</u>	<u>15,770</u>

9. Taxation

	17 months ended 31 December 2021 £	18 months ended 31 July 2020 £
<b>Corporation tax</b>		
Current tax on profits for the period	-	(304,000)
Adjustments in respect of previous periods	-	(2,000)
	-	(306,000)
<b>Total current tax</b>	<u>-</u>	<u>(306,000)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(153,461)	(11,000)
Adjustments in respect of prior periods	-	(5,000)
<b>Total deferred tax</b>	<u>(153,461)</u>	<u>(16,000)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(153,461)</u>	<u>(322,000)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**9. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>17 months ended 31 December 2021 £</b>	<b>As restated 18 months ended 31 July 2020 £</b>
Profit/(loss) on ordinary activities before tax	<u>3,734,269</u>	<u>(6,859,311)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	709,511	(1,303,269)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	200,817	10,556
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	4,166
Capital allowances for period in (excess of)/less than depreciation	(20,680)	1,667
Tax changes resulting from prior year adjustments	-	(8,984)
Other tax charge (relief) on exceptional items	(1,200,446)	-
Group relief surrendered	157,337	973,864
<b>Total tax charge for the period</b>	<u>(153,461)</u>	<u>(322,000)</u>

The Company has tax losses of £400,763 (2020 - £NIL) carried forward which can be offset against its future taxable profits. A deferred tax asset of £76,145 (2020 - £NIL) has been recognised on these tax losses.

**Factors that may affect future tax charges**

In the March 2021 Budget, it was announced that the Corporation Tax rate will increase to 25% for larger companies from 1 April 2023. A marginal rate will also be applied from this date where profits are between £50,000 and £250,000. The deferred tax asset has been calculated based on the current tax rate of 19%.

DESTINOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

10. Exceptional items

	17 months ended 31 December 2021 £	18 months ended 31 July 2020 £
Pre-acquisition write-offs	(6,318,137)	-
	<u>(6,318,137)</u>	<u>-</u>

Exceptional items are represented by write-offs of the inter-company balance due by the Company to its former parent undertaking and other assets and liabilities as necessary prior to its sale to the Brooklyn Travel Holdings Limited group.

11. Intangible assets

	Developement costs £	Computer software £	Total £
<b>Cost</b>			
At 1 August 2020	4,173,445	624,000	4,797,445
Additions	-	21,630	21,630
	<u>4,173,445</u>	<u>645,630</u>	<u>4,819,075</u>
At 31 December 2021	4,173,445	645,630	4,819,075
<b>Amortisation</b>			
At 1 August 2020	3,262,517	478,000	3,740,517
Charge for the period on owned assets	910,928	146,463	1,057,391
	<u>4,173,445</u>	<u>624,463</u>	<u>4,797,908</u>
At 31 December 2021	4,173,445	624,463	4,797,908
<b>Net book value</b>			
At 31 December 2021	<u>-</u>	<u>21,167</u>	<u>21,167</u>
At 31 July 2020	<u>910,928</u>	<u>146,000</u>	<u>1,056,928</u>

DESTINOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2020	245,487	396,773	616,493	1,258,753
Additions	-	-	4,036	4,036
At 31 December 2021	245,487	396,773	620,529	1,262,789
<b>Depreciation</b>				
At 1 August 2020	245,487	141,000	464,000	850,487
Charge for the period on owned assets	-	255,773	152,749	408,522
At 31 December 2021	245,487	396,773	616,749	1,259,009
<b>Net book value</b>				
At 31 December 2021	-	-	3,780	3,780
At 31 July 2020	-	255,773	152,493	408,266

13. Debtors

	31 December 2021 £	As restated 31 July 2020 £
Trade debtors	10,702,210	3,344,494
Other debtors	112,336	72,014
Prepayments and accrued income	225,337	-
Deferred taxation	153,461	-
Derivative financial instruments	27,772	33,822
	<u>11,221,116</u>	<u>3,450,330</u>

**DESTINOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**14. Cash and cash equivalents**

	<b>31 December 2021 £</b>	<b>31 July 2020 £</b>
Cash at bank and in hand	4,609,697	3,128,695
	<u>4,609,697</u>	<u>3,128,695</u>

**15. Creditors: Amounts falling due within one year**

	<b>31 December 2021 £</b>	<b>As restated 31 July 2020 £</b>
Trade creditors	13,708,125	5,243,685
Amounts owed to group undertakings	-	5,657,143
Other taxation and social security	97,855	10,700
Other creditors	1,713,181	776,987
Accruals and deferred income	291,174	133,174
Derivative financial instruments	29,024	81,240
	<u>15,839,359</u>	<u>11,902,929</u>

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**DESTINOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**16. Financial instruments**

	<b>31 December 2021 £</b>	<b>31 July 2020 £</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>27,772</u>	<u>33,822</u>
<b>Financial liabilities</b>		
Financial liability measured at fair value through profit or loss	<u>(29,024)</u>	<u>(81,240)</u>

Financial assets and liabilities measured at fair value through profit or loss comprise of derivative financial instruments.

The fair value of Destinology's foreign currency forwards and options as at 31 December 2021 is a net liability of £1,252 (2020: £47,418 net liability). These forward contracts and options are held to hedge the Company's exposure to foreign currencies which are principally US Dollar, Arab Emirate Dirham, Euro and Thai Baht.

**17. Deferred taxation**

	<b>2021 £</b>
At beginning of period	(18,367)
Charged to profit or loss	171,828
<b>At end of period</b>	<u><u>153,461</u></u>



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**DESTINOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**17. Deferred taxation (continued)**

The deferred taxation balance is made up as follows:

	<b>31 December 2021 £</b>	<b>31 July 2020 £</b>
Depreciation in excess of capital allowances	73,640	(13,367)
Tax losses carried forward	76,145	-
Pension surplus	3,676	-
Short-term timing differences on derivative instruments	-	(6,000)
Other short-term timing differences	-	1,000
	<u>153,461</u>	<u>(18,367)</u>

**18. Share capital**

	<b>31 December 2021 £</b>	<b>31 July 2020 £</b>
<b>Allotted, called up and fully paid</b>		
3,000,000 (2020 - 3,000,000) Ordinary shares of £0.01 each	<u>30,000</u>	<u>30,000</u>

**19. Reserves****Capital contribution reserve**

The capital contribution reserve is in respect of contributions from the former ultimate parent company, Saga plc, in relation to share based awards made by it to the Company's employees. See Note 20 for more information.

**Profit and loss account**

The profit & loss account comprises the balance of distributable profits accumulated over the life of the Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**20. Share based payments**

An equity-settled share plans was set up by the Company's former parent ultimate parent company, Saga plc, to grant options and shares to the Company's directors and employees under the Saga plc Long-term Incentive Plan ("LTIP"). Equity-settled share-based payments were measured at fair value and that this value was expensed over the vesting period.

Upon the acquisition of the Company by the Brooklyn Travel Holdings Limited group, the Long-term Incentive Plan was terminated with any related outstanding liabilities borne by Saga plc.

**21. Prior period adjustment**

The Company was acquired by the Brooklyn Travel Limited group in October 2020. In order to align the Company's revenue recognition policy with the group's policy in on sale of tours without supply-side commitments as a principal, management changed the Company's recognition of revenue from a departure date basis to booking date basis on the acquisition date. This has resulted in a restatement in prior period comparatives and the effect is a decrease of £5,131,959 in deferred income; a decrease of £2,173,721 in prepayments; an increase in trade debtors of £3,143,394; an increase in trade creditors of 5,243,685; an increase in other creditors of £806,558; an increase of £8,275,353 in turnover; and an increase of £8,223,964 in cost of sales. The effect of the adjustment is a decrease of £51,389 in the net loss and an increase of £51,389 in the reserves in the comparative period.

It was impracticable for management to obtain the information required for adjusting the opening reserves for the comparative period. Management had no control of such information while the underlying transactions were made during the Company's ownership of its former parent company.

**22. Contingent liabilities**

The Company, together with its fellow group companies, has provided a guarantee over its assets to the Civil Aviation Authority to meet any future obligations and liabilities incurred by the group companies as ATOL license holders.

**23. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the Company to the fund and amounted to £120,977 (2020: £187,241).

Contributions totalling £19,346 (2020: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

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DESTINOLOGY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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**24. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2021 £	31 July 2020 £
Not later than 1 year	84,844	84,844
Later than 1 year and not later than 5 years	339,376	339,376
Later than 5 years	144,583	229,427
	<u>568,803</u>	<u>653,647</u>

**25. Related party transactions**

The Company has taken advantage of the exemption available in FRS102 not to disclose transactions entered into between two or more members of a group, as the Company is a wholly owned subsidiary undertaking of the Group to which it is a party to the transactions.

**26. Controlling party**

The Company was a wholly owned subsidiary of Saga plc until 20 October 2020, on which date its 100% shareholding was acquired by Brooklyn Travel Limited.

The indirect parent undertaking of the Company is Brooklyn Travel Holdings Limited, which is the largest and smallest group to consolidate the Company's results. Both Companies have their registered office at 42 High Street, Northwood, Middlesex, United Kingdom, HA6 1BL.

The parent undertaking of Brooklyn Travel Holdings Limited is Zachary Asset Holdings Limited, a company incorporated in Jersey.

The ultimate controlling party of the group is the Haller family.

DESTINOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

27. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously International Financial Reporting Standards (IFRSs) as adopted for use in the European Union (EU) as at 1 February 2019. The impact of the transition to FRS 102 is as follows:

		As previously stated February 2019 £	Effect of transition February 2019 £	FRS 102 (as restated) February 2019 £	As previously stated 31 July 2020 £	Effect of transition 31 July 2020 £	FRS 102 (as restated) 31 July 2020 £
	Note						
Fixed assets	1	3,198,000	(798,000)	2,400,000	1,977,133	(511,939)	1,465,194
Current assets	3	16,788,000	-	16,788,000	5,609,352	969,673	6,579,025
Creditors: amounts falling due within one year	1,3	16,594,000	101,000	16,493,000	11,033,479	(869,450)	(11,902,929)
<b>Net current assets/(liabilities)</b>		194,000	101,000	295,000	(5,424,127)	100,223	(5,323,904)
<b>Total assets less current liabilities</b>		3,392,000	(697,000)	2,695,000	(3,446,994)	(411,716)	(3,858,710)
Creditors: amounts falling due after more than one year	1	(740,000)	740,000	-	(495,000)	495,000	-
Provisions for liabilities	1	(35,000)	(7,000)	(42,000)	(18,367)	-	(18,367)
<b>Net assets/(liabilities)</b>		<u>2,617,000</u>	<u>36,000</u>	<u>2,653,000</u>	<u>(3,960,361)</u>	<u>83,284</u>	<u>(3,877,077)</u>
Capital and reserves	1,2,3	<u>2,617,000</u>	<u>36,000</u>	<u>2,653,000</u>	<u>(3,960,361)</u>	<u>83,284</u>	<u>(3,877,077)</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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27. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 July 2020 £	Effect of transition 31 July 2020 £	FRS 102 (as restated) 31 July 2020 £
Turnover	3	56,906,657	8,275,353	65,182,010
Cost of sales	3	(51,062,231)	(8,223,964)	(59,286,195)
		5,844,426	51,389	5,895,815
Administrative expenses	2	(12,866,028)	(41,220)	(12,907,248)
<b>Operating profit</b>		(7,021,602)	10,169	(7,011,433)
		15,770	-	15,770
Interest receivable and similar income				
Interest payable and similar charges	2	(37,115)	37,115	-
Other finance income		136,352	-	136,352
Taxation		322,000	-	322,000
<b>Loss on ordinary activities after taxation and for the financial period</b>		<u>(6,584,595)</u>	<u>47,284</u>	<u>(6,537,311)</u>

Explanation of changes to previously reported profit and equity:

- 1 Being removal of right of use assets; finance lease liabilities; and related deferred tax asset in relation to operating lease as previously required by IFRS16.
- 2 Being removal of interest charge on finance lease liabilities of £37,115 and depreciation charge on right of use assets of £163,000 as previously required by IFRS16 and add back of operating rental expenses of £204,220.
- 3 Being prior period adjustment on deferred income; prepayments; turnover; and cost of sales in light of changing of revenue recognition policy during the period. This is not a first time FRS102 adoption adjustment - See Note 19.



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