

Registered number: 09357281

LUXURY TRAVEL FINANCING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022



LUXURY TRAVEL FINANCING LIMITED

CONTENTS

	Page(s)
Company Information	1
Strategic Report	2
Directors' Report	3 - 4
Independent Auditors' Report to the members of Luxury Travel Financing Limited	6 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 21

LUXURY TRAVEL FINANCING LIMITED

COMPANY INFORMATION

Directors	S Davies M Woodall J Kavanagh A Murray
Registered number	09357281
Registered office	7 th Floor Metro Building 1 Butterwick Hammersmith London W6 8DL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

LUXURY TRAVEL FINANCING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present the Strategic Report of Luxury Travel Financing Limited (the "Company") for the year ended 31 October 2022.

Business review

The Company is a vehicle for the financing of a larger Group headed by Luxury Travel Holdings Limited. The main expenditure in this company is the interest due on loan notes, most of which were issued to fund the acquisition of The Luxury Travel Group Limited. In July 2020, additional loan notes were issued which carry a fixed interest rate of 10% and a redemption premium of 100%.

In April 2021, investors and management made further commitments to the group to provide funding through loan notes worth up to £2.5m. These carry the same terms as the 2020 loan notes. The loan notes have not been drawn upon, therefore have not been recognised in these financial statements.

The net liabilities of the Company increased by £9.5m to £118.4m (2021: £108.9m). This is primarily from an increase caused by the interest charges on the loan notes.

Future developments

On 7th February 2023 100% of the share capital of Luxury Travel Holdings Limited was acquired by the Flight Centre Travel Group, a business listed on the Australian Stock Exchange (FLT) for £120m. The acquisition was made by Flight Centre Travel Group (European Holdings) Limited a company registered in England and Wales which is 100% owned by Flight Centre Travel Group Limited registered in Australia, the ultimate parent undertaking. As part of the acquisition, the outstanding loan notes in the company and interest were settled with no listed debt remaining post acquisition. As there will be no loan notes going forward, for the foreseeable future, the company will act as an intermediate holding company.

Principal risks and uncertainties

The directors of the ultimate parent undertaking, Luxury Travel Holdings Limited, manage the Group's risks and performance. The principal risks and uncertainties have been discussed within the strategic report of Luxury Travel Holdings Limited's Annual Report. Those risks that are specific to the Company are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The interest payable by the Company is on the loan notes, the majority of this interest is fixed at 5% per annum, which was reduced from 12% on 1 November 2018 and will increase back to 12% from 1 November 2022, until maturity. The additional loan notes issued during the year ended 31 October 2020 have a fixed interest rate of 10%. Given the outstanding loan notes and interest were settled post year end, the risk is no longer present.

Credit risk

Credit risk arises as a result of the Company's intercompany balance with Luxury Travel Acquisitions Limited, the directors are satisfied that the credit risk of this balance is low now that a provision has been recognised against the amounts due.

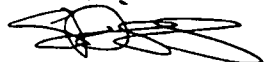
Liquidity risk

Liquidity risk arises as a result of the Company's intercompany debt and obligations on the loan notes that have been issued. The Company manages this risk by obtaining assurances from other group companies that they will not seek repayment of intercompany creditors. The loan notes have been settled post year end, therefore the element of the risk is no longer present. In addition, the parent company will be providing group support going forward to minimise any liquidity risk.

Financial key performance indicators (KPI's)

Given the nature of the Company as a holding company, the Company's directors are of the opinion that using KPI's are not relevant for the understanding of this business. The understanding of the development and performance of the business is achieved through analysis of the results of the operating companies. A review of the Group's performance, including analysis of KPIs is shown in the financial statements of the Company's ultimate parent undertaking, Luxury Travel Holdings Limited.

This report was approved by the board on 23 March 2023 and signed on its behalf by:



S Davies
Director

LUXURY TRAVEL FINANCING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present their annual report and the audited financial statements of Luxury Travel Financing Limited (the "Company") for the year ended 31 October 2022.

Principal activity

The principal activity of the Company in the year was that of a holding and financing company.

Results and dividends

The loss for the financial year amounted to £9,519,000 (2021: £8,559,000). The directors do not recommend the payment of a dividend and no dividends were paid during the year (2021: £Nil).

Going concern

On 7th February 2023 100% of the share capital of Luxury Travel Holdings Limited was acquired by the Flight Centre Travel Group, a business listed on the Australian Stock Exchange (FLT) for £120m. This included the settlement of the loan notes held by the company totalling £59.3m on 7th February. As at the point of acquisition the Luxury Travel Holdings Limited group is free of external debt and will be supported as necessary by the new ultimate parent undertaking. A letter of support from the parent company has been obtained, outlining the commitment of the parent to not withdraw funding to the Luxury Travel Holdings Group. The Directors of the Group have assessed that the parent company is in a position to support the Group adequately, therefore are of the opinion that the Group can pay its meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

S Davies

S N McMurtrie (resigned 7 February 2023)

M Woodall (appointed 28 February 2022)

J Kavanagh (appointed 7 February 2023)

A Murray (appointed 7 February 2023)

Matters covered in the strategic report

The financial risk management objectives and policies are managed by the Directors of the ultimate parent undertaking, Luxury Travel Holdings Limited, and are disclosed under the "Principal Risks and Uncertainties" section within the strategic report in the Luxury Travel Holdings Limited group's annual report.

LUXURY TRAVEL FINANCING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors 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.

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.

Qualifying third party indemnity provisions

During the year, qualifying third party indemnity provisions for the directors were provided by the Group. Such qualifying indemnity provisions remain in force as at the date of approval of the financial statements.

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.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 23 March 2023 and signed on its behalf by:



S Davies
Director

LUXURY TRAVEL FINANCING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUXURY TRAVEL FINANCING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Luxury Travel Financing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 October 2022; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope	We have audited the complete financial information of Luxury Travel Financing Limited and this was conducted by the company audit team.
Key audit matter	Recoverability of amounts owed by subsidiary undertaking
Materiality	Overall materiality: £1,184,000 (2021: £1,089,000), based on 1% of Net liabilities.
Performance materiality	£888,000 (2021: £816,750).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

LUXURY TRAVEL FINANCING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUXURY TRAVEL FINANCING LIMITED (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<i>Recoverability of amounts owed by subsidiary undertaking</i> As detailed in note 8, at the year end Luxury Travel Financing Limited had a material debtor of £59.3m with its direct subsidiary Luxury Travel Acquisitions Limited. The subsidiary made a loss in the year ended 31 October 2022 and is in a net liability position. As such we consider there to be a risk in relation to the recoverability of the debtor.	The counterparty of the debtor, Luxury Travel Acquisitions Limited, is in a net liability position. While Luxury Travel Acquisitions Limited owns the trading operations within the Luxury Travel Holdings Group, it does not have the ability to repay the debt due to Luxury Travel Financing Limited in full from current assets. Even though the combined trading operations have started to make profits after the end of the pandemic-enforced travel restrictions, there remains a considerable uncertainty over the time that would be required for the trading group to generate sufficient profits to allow dividends to be declared up the chain to Luxury Travel Acquisitions to the level required to enable repayment of the liability to Luxury Travel Financing Limited. We have considered the forecasted cashflows of the trading group and challenged managements on the key assumptions in respect of the estimates and judgements applied in the forecasts. Given the length of time to generate the required level of funds and the uncertainty within the forecasts we agree with management's conclusion to include a provision of £56.3m against the balance due from Luxury Travel Acquisitions Limited.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£1,184,000 (2021: £1,089,000).
How we determined it	1% of Net Liabilities of £118,425,000
Rationale for benchmark applied	We believe that net liabilities is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark. No change from prior year.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £888,000 (2021: £816,750) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £59,000 (2021: £54,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

LUXURY TRAVEL FINANCING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUXURY TRAVEL FINANCING LIMITED (CONTINUED)

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 October 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUXURY TRAVEL FINANCING LIMITED
(CONTINUED)**

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Cayman Island Stock Exchange (CSX) Listing Rules and those imposed by the travel industry regulators, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and The Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to reduce expenditure, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud and actual and potential litigation and claims
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulation
- Made enquiries with management regarding tax regulatory authorities in relation to compliance with laws and regulations
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, or posted by members of senior management with a financial reporting oversight role

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

LUXURY TRAVEL FINANCING LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUXURY TRAVEL FINANCING LIMITED
(CONTINUED)**

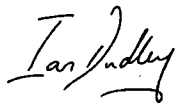
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 March 2023

LUXURY TRAVEL FINANCING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2022**

	Note	2022 £000	2021 £000
Administrative expenses		(26)	(20)
Operating loss		(26)	(20)
Interest payable and similar expenses	5	(9,493)	(8,539)
Loss before taxation		(9,519)	(8,559)
Tax on loss	6	-	-
Loss for the financial year		(9,519)	(8,559)
Total comprehensive loss for the financial year		(9,519)	(8,559)

The notes on pages 13 to 21 form part of these financial statements.

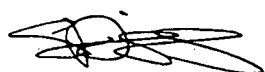
LUXURY TRAVEL FINANCING LIMITED
REGISTERED NUMBER: 09357281

BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note	2022 £000	2021 £000
Current assets			
Debtors	8	3,000	3,000
Creditors: amounts falling due within one year	9	(3,380)	(3,329)
Net current liabilities		(380)	(329)
Total assets less current liabilities		(380)	(329)
Creditors: amounts falling due after more than one year	10	(118,045)	(108,577)
Net liabilities		(118,425)	(108,906)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(118,425)	(108,906)
Total shareholders' deficit		(118,425)	(108,906)

The notes on pages 13 to 21 form part of these financial statements.

The financial statements on pages 10 to 21 were approved by the Board of Directors on 23 March 2023 and were signed on its behalf by:



S Davies
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2022**

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£000	£000	£000
At 1 November 2020	-	(100,347)	(100,347)
Comprehensive expense for the financial year			
Loss for the financial year	-	(8,559)	(8,559)
Total comprehensive expense for the financial year	-	(8,559)	(8,559)
At 31 October and 1 November 2021	-	(108,906)	(108,906)
Comprehensive expense for the financial year			
Loss for the financial year	-	(9,519)	(9,519)
Total comprehensive expense for the financial year	-	(9,519)	(9,519)
At 31 October 2022	-	(118,425)	(118,425)

LUXURY TRAVEL FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

1. General information

Luxury Travel Financing Limited (the "Company") is a holding and financing company within the Luxury Travel Holdings Limited group.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom, England. The address of its registered office is: 7th Floor, Metro Building, 1 Butterwick, Hammersmith, London, W6 8DL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention 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). The following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

On 7th February 2023 100% of the share capital of Luxury Travel Holdings Limited was acquired by the Flight Centre Travel Group, a business listed on the Australian Stock Exchange (FLT) for £120m. This included the settlement of the loan notes totalling £59.3m on 7th February. As at the point of acquisition the Luxury Travel Holdings Limited group is free of external debt and will be supported as necessary by the new ultimate parent undertaking. A letter of support from the parent company has been obtained, outlining the commitment of the parent to not withdraw funding to the Luxury Travel Holdings Group. The Directors of the Group have assessed that the parent company is in a position to support the Group adequately, therefore are of the opinion that the Group can pay its meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

2.3 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 Luxury Travel Holdings Limited for the year ended 31 October 2022 and these financial statements may be obtained from 7th Floor, Metro Building, 1 Butterwick, Hammersmith, London, W6 8DL.

2.4 Consolidated financial statements

As at 31 October 2022 the Company was a wholly owned subsidiary of Luxury Travel Holdings Limited its ultimate parent. It is included in the consolidated financial statements of Luxury Travel Holdings Limited which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 for the requirement to prepare consolidated financial statements.

LUXURY TRAVEL FINANCING LIMITED

These financial statements are the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions which are accounted for in accordance with section 11 of FRS 102. Such financial instruments include trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

Financial assets and liabilities are reviewed for substantial modifications, being an excess of 10% between existing and future cash flows. If a substantial modification is deemed to have taken place the related financial asset or liability is de-recognised at the date of modification and re-recognised on the same date. Associated transaction costs are also derecognised and taken to the income statement.

2.8 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.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

2. Accounting policies (continued)

2.9 Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the start of the relevant month.

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 the profit or loss. 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 the Statement of Comprehensive Income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.12 Current taxation

Tax is recognised in the statement of comprehensive income, 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 relevant to the current and prior years 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.

LUXURY TRAVEL FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Effective interest rate on Loan notes

As detailed in note 10, the Company issued new loan notes in the year ended 31 October 2020 which carry an interest rate of 10% per annum which is to be compounded if unpaid. Upon repayment of the loan notes at the end of the term (October 2024), a redemption premium of 100% will also be payable. Interest on these loan notes is accrued at an effective interest rate of 24% per annum, which, given the impact of the pandemic, the Directors considered to be reflective of a market rate of interest available to the Group at the time. At the year end, management estimated the repayment date to be the end of the term on the basis that the subsequent acquisition by Flight Centre was not considered more than likely at that point in time. The certainty and timing of any acquisition were unknown, therefore there was no estimate considered more likely than the term of the loan notes. Since the year end the principle has been repaid in advance of this, therefore the redemption premium became due, and hence the finance cost has been expediated in the year to 31 October 2023. The carrying amount of the loan notes as at 31 October 2022 was £4.90m (2021: £3.96m).

Recoverability of amounts owed by group undertakings

The directors note that the counterparty, Luxury Travel Acquisitions Limited, the immediate subsidiary, has insufficient current assets to repay the debt on demand without realising investments it holds in its subsidiaries. Management have reviewed forecasts to assess the current valuation of the Group in the year and determined that no further provision against the balance due from Luxury Travel Acquisitions Limited has been recognised (2021: £nil).

Deferred tax assets

Judgement is required in determining whether it is considered likely that a deferred tax asset will be recovered by being set against taxable profits in future periods. No deferred tax assets have been recognised on the basis that the Group's forecasts indicate there will not be sufficient taxable profits generated to utilise the asset, however the forecasts are subject to many assumptions, and due to the potential deferred tax asset being £8.6m, changes in assumptions or the judgements could have a material impact on the financial statements.

3. Auditors' fees

	2022 £000	2021 £000
Fees payable to the Company's auditors' for the audit of the Company's annual financial statements	14	13

There were no non-audit fees payable to the Company's auditors.

4. Employees

There are no employees in Luxury Travel Financing Limited (2021: none). The directors are paid by another group company, Luxury Travel Acquisitions Limited and their remuneration is disclosed in the financial statements of The Luxury Travel Group Limited. It is not possible to apportion the remuneration for these directors to the entities in the Group for their services as directors to these entities.

5. Interest payable and similar expenses

	2022 £000	2021 £000
Interest payable on loan notes	9,493	8,539

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

6. Tax on loss

	2022 £000	2021 £000
Current tax on losses for the year	-	-

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £000	2021 £000
Loss before tax	(9,519)	(8,559)
Loss multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	(1,809)	(1,626)
Effects of:		
Expenses not deductible for tax purposes	1,809	1,626
Temporary differences in respect of losses	-	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the balance sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

No provision or asset has been recognised for deferred tax. The total unrecognised potential deferred tax asset £8,601,000 (2021: £4,657,000).

LUXURY TRAVEL FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

7. Investments

The following were subsidiary undertakings of the Company:

Name	Class of shares	Country of incorporation	Holding	Principal activity	Registered office
Luxury Travel Acquisitions Limited	Ordinary	United Kingdom	100%	Acquisition company	(a)

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Country of incorporation	Holding	Principal activity	Registered office
The Luxury Travel Group Limited	Ordinary	United Kingdom	100%	Holding company	(a)
Scott Dunn USA Inc.	Ordinary	United States of America	100%	Tour agent	(b)
Scott Dunn Singapore PTE Limited	Ordinary	Singapore	100%	Tour agent	(c)
Scott Dunn Limited	Ordinary	United Kingdom	100%	Tour agent	(a)
Imagine Travel Limited	Ordinary	United Kingdom	100%	Tour agent	(a)
Scott Dunn Transport Limited	Ordinary	United Kingdom	100%	Tour agent	(a)
Scott Dunn Asia Holdco PTE Limited	Ordinary	Singapore	100%	Tour agent	(c)
Scott Dunn Hong Kong Limited	Ordinary	Hong Kong	100%	Tour agent	(d)
Scott Dunn Hellas Single Member Private Company	Ordinary	Greece	100%	Tour operator	(e)

Registered office

- (a) 7th Floor, Metro Building, 1 Butterwick, Hammersmith, London, W6 8DL
- (b) 420 N Cedros Ave, Suite 102, Solana Beach, CA 92075
- (c) Raffles City Tower #15-02A, 250 North Bridge Road, Singapore 179101
- (d) 2/F Hong Kong Jewellery Building, 178-180 Queen's Road Central Hong Kong
- (e) 1 Patroklou Str, 15125 Maroussi, Greece

LUXURY TRAVEL FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

8. Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	3,000	3,000
	3,000	3,000

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The £3m due from group undertakings is a net of a provision of £56.3m against the balance due from Luxury Travel Acquisitions Limited (gross balance of £59.3m). Luxury Travel Acquisitions Limited is in a net liability position of £72.1m at 31 October 2022, therefore the balance due from them to Luxury Travel Financing Limited was considered to be unlikely to be recovered.

9. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	3,355	3,319
Other tax and social security	5	-
Accruals and deferred income	20	10
	3,380	3,329

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. The other tax and social security relates to withholding tax being due on interest payments.

10. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Loan notes	59,305	59,305
Accrued loan note interest	58,740	49,272
	118,045	108,577

The loan notes are unsecured. Accrued loan note interest represents interest accruals of £58,740,000 (2021: £49,272,000). Of the loan notes, £56,305,000 (2021: £56,305,000) was listed on the Cayman Island Stock Exchange at the year end and is held by Inflexion Private Equity Partners LLP.

The total loan notes of £59,305,000 includes £3,000,000 obtained in July 2020. A facility was also made available to drawdown on a further £1,200,000 of funds should it be required, however this has not yet been drawn down and therefore this element is not recognised in these financial statements. The drawn loan notes (£3,000,000) carry an interest rate of 10% per annum which is to be compounded if unpaid. Upon repayment of the loan notes at the end of the term (October 2024), a redemption premium of 100% will also be payable. Interest on these loan notes is accrued at an effective interest rate of 24% per annum. In April 2021, a further commitment for loan notes worth £2,500,000 was made. These carry the same interest rates as those in the FY20 refinancing, however remain undrawn at 31 October 2022 therefore are not recognised within the financial statements.

Interest on the pre-existing loan notes of £56,305,000 is accrued at an effective interest rate of 8% per annum. The effective interest rate is as a result of a change in interest rates on 1 November 2018. On this date, the maturity of the loan notes were extended from 31 December 2021 to 31 December 2025 and the fixed interest rate was reduced from 12% to 5%, increasing to 12% from 1 November 2022 until maturity.

LUXURY TRAVEL FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

11. Called up share capital

	2022	2021
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
1 (2021: 1) Ordinary share of £0.01	-	-

12. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

13. Contingent liabilities

Luxury Travel Holdings Limited Group has a capital financing facility with Lloyds and RBS who have provided a six year Senior Facilities Agreement (SFA). A refinancing took place in May 2019 to extend the facility period from April 2021 to April 2024. This facility is secured by cross guarantees and debentures given by the Company and other group companies. This cross guarantee has been satisfied since the year end as the debt was settled on 7th February as part of the acquisition.

14. Related party transactions

During the year the Company was charged £6,689,364 (2021: £6,108,218) for interest on loan notes held by Inflexion Private Equity Partners LLP. At the end of the year £41,130,996 (2021: £34,453,467) was outstanding as accrued interest of which £8,846,958 (2021: £8,846,958) was held as PIK notes. The balance of the loan notes due to Inflexion Private Equity Partners LLP at the year end was £43,589,026 (2021: £43,589,026).

During the year the Company was charged £2,802,911 (2021: £2,431,222) for interest on loan notes held by Andrew and Jane Dunn. At the end of the year £17,609,131 (2021: £14,835,624) was outstanding as accrued interest. The balance of the loan notes due to Andrew and Jane Dunn at the year end was £15,716,269 (2021: £15,716,269).

15. Ultimate parent undertaking and controlling party

As at the 31 October 2022 the directors did not consider there to be any ultimate controlling party. Funds managed by Inflexion Private Equity LLP have an economic interest in 56% of the equity share capital of Luxury Travel Holdings Limited.

The ultimate and immediate parent undertaking and the smallest and largest group to consolidate these financial statements is Luxury Travel Holdings Limited, a company registered in the United Kingdom. Copies of the Luxury Travel Holdings Limited consolidated financial statements can be obtained from the Company Secretary at 7th Floor, Metro Building, 1 Butterwick, Hammersmith, London, W6 8DL.

LUXURY TRAVEL FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

16. Post balance sheet events

On 7th February 2023 100% of the share capital of Luxury Travel Holdings Limited was acquired by the Flight Centre Travel Group, a business listed on the Australian Stock Exchange (FLT) for £120m. The acquisition was made by Flight Centre Travel Group (European Holdings) Limited a company registered in England and Wales which is 100% owned by Flight Centre Travel Group Limited registered in Australia, the ultimate parent undertaking. As there will be no loan notes going forward, for the foreseeable future, the company will act as an intermediate holding company.

The £120m was raised by Flight Centre Travel Group via an equity raise on the Australian Stock Exchange. This funding has been used to repay Group loan note holders and interest of £78.8m, third party debt of £19.8m, shareholder payments of £11.5m, deal expenses and staff bonuses of £4.7m with the remainder being used as additional working capital for the business for regulatory purposes. The funds to pay off loan note holders and third party debt were provided by an increase in the share capital of Luxury Travel Holdings of £104m. As at the point of acquisition the Luxury Travel Holdings Limited group is free of external debt and will be supported as necessary by the new ultimate parent undertaking.