Tim Midco Limited

Reports of the Directors and the financial statements for the financial year to 30 September 2021

Company Number: 10605234

The Directors present their Strategic and Directors' Reports on the audited consolidated financial statements of Tim Midco Limited (individually the 'Company' and together, 'the Group') for the financial year ended 30 September 2021. This is the Group's first set of consolidated financial statements. In prior years, the Company elected to take the exemption available to it under Company law not to prepare consolidated financial statements and as such, the comparative information in this set of consolidated financial statements is unaudited. The Company is an intermediate parent company within the Travelopia group of companies ('Travelopia Group') and is directly owned by Travelopia Group Holdings Limited, the highest UK parent company of the Travelopia Group.

STRATEGIC REPORT

Principal activity and business model

The Group's principal activity during the financial year continued to be that of a tour operator and experiential holiday provider, owning specialist travel brands across the world. The Company's principal activity is to act as a holding company.

The Travelopia Group has a comprehensive portfolio of experiential travel brands, most of which are leaders in their sector. The Group is headquartered in the UK and provides customers with unique travel experiences, including adventure travel, safaris, large and private jet tours, polar expeditions, tailor-made luxury holidays, yacht and river boat charter holidays, educational and sporting based school trips and corporate hospitality and sporting event fan travel. The Group's brands are as diverse as they are exciting, creating unforgettable experiences for its customers across the world.

The Group's dedication to delivering the very best travel experiences has won us praise not only from its customers, but also from travel professionals and trade publications. The Group prides itself in offering an excellent customer experience, from the exceptional service and in-depth knowledge of its sales teams, to best-in-class tour guides around the world. As a result of this dedication, customer satisfaction and loyalty is incredibly high across the Group's portfolio and its brands frequently receive industry awards and media recognition for their offering.

The range of source markets and destinations covered by Travelopia brands spans all seven continents. This breadth means it can be at the forefront of emerging travel trends, allowing us to spot opportunities for exciting and innovative new product. The Group caters for a wide variety of travellers, whether they're looking for an expertly led group tour, tailor-made adventure or luxury holiday.

The Group's divisions

Adventure: The Adventure division provides a range of premium adventure holidays and expeditions worldwide, including Exodus Travels and Sawadee, which have been providing adventure holidays and expeditions for over 45 and 30 years respectively. Exodus Travels was sold to a fellow Group subsidiary in January 2021 as part of an internal group restructure and its results are presented within discontinued operations (see below).

TCS World Travel ('TCS'): TCS has hosted guests on around the world private jet expeditions for over 25 years. Its journeys deliver unparalleled and meaningful experiences, with exceptional service, in multiple destinations around the globe. Its expertise has led it to be one of the most-awarded jet expedition companies in the world, winning accolades in the Travel + Leisure World's Best Awards, AFAR Travelers' Choice Awards, Conde Nast Traveller Readers' Choice Awards and Departures Legend Awards, amongst others.

Quark Expeditions: For over 25 years, Quark Expeditions has taken its guests on Arctic and Antarctic polar expeditions, where wildlife interactions thrive and the landscape never fails to astonish and captivate. With a diverse fleet of specially equipped vessels, including its newly-built ship, Ultramarine, together with seasoned expedition leaders, Quark Expeditions offers travellers unparalleled access to some of the most remote regions on Earth.

Yachts: The Yachts division is home to two of the world's largest Yacht charter brands, consisting of sailing catamarans, monohull yachts and powered catamarans. The division offers a range of sailing holiday experiences in over 20 stunning destinations under The Moorings and Sunsail brands. Selling to predominantly North American and European source markets, its customers predominantly go to the Mediterranean and Caribbean, including the British Virgin Islands. The division also sells the multiple award-winning sail and powered Leopard Catamarans, designed by South African yacht builder, Robertson and Caine.

STRATEGIC REPORT (continued)

Le Boat: The Le Boat division is the market leader of inland waterway boating holidays on European canals and rivers, targeting couples, families and adult groups for over 40 years. Being one of the largest operator of self-drive boating holidays across Europe, its guests are able to explore the Thames, Scotland, Ireland, France, Germany, Belgium, Holland, Italy and Ontario, Canada from over 25 bases. With no previous experience required, anyone can set off on their own river adventure.

Enchanting Travels: A tailormade luxury travel specialist which provides exclusive, customised travel experiences for guests primarily from North America and Western Europe. Tours to Asia, Africa, South and Central America and Antarctica are put together based on an intricate knowledge of these destinations and by an outstanding team of professionals. Through detailed personalised itineraries and service, the Group's guests uncover not just natural and man-made wonders, but also a country's cultural heritage, essence, and soul.

US Tour Operators: The US Tour Operators division provides affordable, fully independent and guided tour and cruise travel to Alaska, Hawaii and Europe with particular focus on catering for the US market by two brands, YMT Vacations and Europe Express.

In addition to Exodus Travels mentioned above, the other divisions that were also disposed of in January 2021 to another Group subsidiary as part of a group restructure and which are accounted for as a discontinued operation were as follows:

Tailormade: The Tailormade division focuses on luxury holidays and personalised itineraries to worldwide destinations, predominantly aimed at UK outbound travellers through brands including Hayes & Jarvis, Sovereign and Citalia. The division also provides holidays to customers living in Ireland under the American Holidays brand.

Events: The Events division sells tours to key sporting events around the world, as well as hospitality packages to Wimbledon and other UK events. Products sold are typically annual, biennial and quadrennial events and include the Ashes, the Lions Tour and the Rugby World Cup.

Education: The Education division operates across the UK, Australia and New Zealand. The division provides a range of educational, expedition and leisure tours as well as residential trips to educational providers such as schools, colleges and universities.

Review of the business

The Group organises its businesses into seven tour operating reporting units. In January 2021, it completed an internal restructure to segregate the UK tour operators (and their subsidiary companies) and its Irish tour operator from the rest of this Group in order to simplify the regulatory structure within which it operates. These changes were agreed with the Civil Aviation Authority ('CAA') in January 2020 but implementation was delayed as the Group focused on its navigation through the Covid-19 pandemic. Since January 2021, these businesses have been operationally and financially ring fenced from the rest of the Group and are referred to within these financial statements as the 'CAA ring fenced group'. The restructure was effected by way of disposing of these companies, leaving, with the exception of the Company's parent, all other Travelopia businesses within this Group.

The results for the financial year ended 30 September 2021 reflect the disposal in the current financial year of the CAA ring fenced group, which is accounted for as a discontinued operation. As such, the results of the CAA ring fenced group in both financial years are de-recognised on a line by line basis in the Consolidated income statement, (from revenue to loss after tax) and included separately and in aggregate, within the result from discontinued operations, after the loss after tax from continuing operations.

STRATEGIC REPORT (continued)

Set within this context, to effectively measure the development, performance and position of the Group, the following KPIs are of most relevance.

KPI - Continuing operations		30 September 2021	30 September 2020
Number of passengers	Number	88,481	118,004
Revenue	£m	203.4	360.2
Adjusted EBITDA*	£m	(22.4)	(13.3)
Loss before tax from continuing operations	£m	(110.0)	(113.2)
Cash	£m	119.9	147.6
Net (liabilities)/assets	£m	(1.6)	59.2
Average number of employees	Number	1,459	1,848

*defined below

A review of the Group by division/business for the full financial year is as follows. Commentary is initially upon revenues and Adjusted EBITDA as this reflects how the Executive Leadership Team manage and monitor the performance of each business and division. Commentary on items that are disclosed in the consolidated income statement below Adjusted EBITDA is provided subsequently.

Division	Revenue Financial year 2021 £m	Revenue Financial year 2020 £m
Adventure	1.5	23.5
Quark Expeditions	0.2	67.0
TCS	7.2	49.4
Yachts	147.0	149.4
Le Boat	35.9	25.6
Enchanting Travels	4.6	22.0
US Tour Operators	7.0	23.3
Continuing operations	203.4	360.2

This financial year has continued to be a challenging one for the Group, as it has been for the travel and hospitality industries globally. The national lockdowns and travel restrictions in place during the financial year as a consequence of the on-going Covid-19 pandemic have continued to significantly impact the Group's ability to operate. Revenues from continuing operations are just over half the reported revenues of the prior year, which were themselves less than half that of pre-pandemic levels.

The Group initially planned for some operations to re-commence in the second half of 2021. However, on-going travel restrictions resulted in much of the Group not being able to operate throughout the whole financial year. Revenues are, as a result, significantly lower than the prior financial year, when trading was possible for the first half of that year. Only Le Boat and Yachts (both yacht sales and charter) have been able to operate with any scale in this financial year. Sales of Yachts and Boats totalled £125.3m, £12.1m higher than in the previous financial year, half of which was pre-pandemic.

Significant cost mitigation actions have continued throughout the year, driving additional savings compared to last year. Distribution costs and administrative expenses were reduced by £43.4m compared to the previous financial year, largely offsetting the fall in gross profit. As a result, the operating loss for the financial year of £92.7m was in line with that of the comparative financial year's loss of £96.2m.

STRATEGIC REPORT (continued)

The Group purchased the Ultramarine polar expedition ship on 1 April 2021 and after final completion works, the ship sailed to Argentina on 4 October 2021, where it commenced operation of its inaugural Antarctic expedition in December 2021. The purchase was primarily financed from a new third party loan, with some funding from the Group's cash reserves.

The Group also took delivery of the first of two new leased Airbus A321 NEO Long Range aircraft in the financial year, sub-leasing it back to the lessor to mitigate costs, as the global travel restrictions continued to limit its ability to operate. The Group has invested in 'Buyer Furnished Equipment' for these planes, customising and fitting out the interiors to a luxurious standard.

In addition to raising finance for the purchase of the Ultramarine, the Group has also introduced some limited inventory and fleet financing within Yachts and Le Boat, respectively, details of which are included in Note 28.

Items excluded from Adjusted EBITDA

The table below sets out the reconciliation of the Group's Adjusted EBITDA to the Group's loss before tax from continuing operations:

Continuing operations	**Year ended 30 September 2021 £m**	Year ended 30 September 2020 £m
Adjusted EBITDA	**(22.4)**	(13.3)
Depreciation, amortisation and impairment of non-acquisition related assets	**(55.3)**	(62.7)
Acquisition and disposal related items	**(4.6)**	(6.0)
Separately disclosed items	**(10.4)**	(14.2)
Operating loss	**(92.7)**	(96.2)
Net financial expenses	**(17.3)**	(17.0)
Loss before tax from continuing operations	**(110.0)**	(113.2)

The Group's loss before tax from continuing operations for the financial year ended 30 September 2021 was £110.0m (2020: £113.2m). This loss is stated after the inclusion of certain items that are excluded from Adjusted EBITDA. Adjusted EBITDA from continuing operations for the financial year, for which a definition is provided in Note 5 of these financial statements, was a loss of £22.4m (2020: £13.3m). Whilst significant judgement can sometimes be required to determine the classification of certain items, the exclusion of the Group's restructuring, acquisition and disposal activities to arrive at Adjusted EBITDA provides an alternative measure of performance to represent the underlying, maintainable results of the Group.

Depreciation, amortisation and impairment charges on non-acquisition related assets amounts to £55.3m (2020: £62.7m), of which £35.9m (2020: £34.9m) is depreciation of right of use assets, £13.9m (2020: £16.0m) is depreciation of property, plant and equipment, and £5.1m (2020: £5.1m) is amortisation and impairment of non-acquisition related intangible assets. Further analysis of the composition of these charges is set out in Note 11.

The Group incurred separately disclosed items of £10.4m (2020: £14.2m), £5.1m (2020: £8.0m) of which arose as a direct result of Covid-19, £1.9m (2020: £2.3m) being due to trip cancellation and related costs and £3.2m (2020: £5.7m) as a result of management's decision to restructure the Group's operations. The Group also incurred a £2.7m (2020: £nil) charge in respect of a long term incentive plan. Lost revenues and/or profits are not included within separately disclosed costs. Further information on all of these costs are included in Note 13.

STRATEGIC REPORT (continued)

Net financial expenses of £17.3m (2020: £17.0m) have occurred during the financial year, £8.1m (2020: £6.6m) of which is for interest charges on lease liabilities. Interest charged on the Group's £100m term loan and fully drawn £80.0m revolving credit facility and other debt totalled £10.6m (2020: £6.8m).

Financial position

The Group ended the financial year with £119.9m (2020: £147.6m) of cash on the balance sheet, details of which are in Note 26.

The Group continues to have a fully drawn bank loan of £100.0m (2020: £100.0m) and an £80.0m (2020: £80.0m) revolving credit facility. On 29 September 2021, the Company entered into an Amendment and Restatement Agreement which extended the loan's term from 15 June 2024 to 15 December 2025 and the revolving credit facility from 15 June 2023 to 15 September 2025. The bank covenant testing holiday in respect of the ratio between Net Debt and Adjusted EBITDA was also extended for a further two year period, with the next test now being 30 September 2023.

To provide short-term funding for purchasing yachts, on 22 March 2021, the Group entered into a five-year agreement with a third party to provide inventory financing of up to $15.0m (£11.1m). The total amount owing at 30 September 2021 was £7.3m. In addition, the Group entered into an agreement with a French financing company on 30 April 2021 to sell and then leaseback 301 of its owned boats for €16.9m (£14.7m).

On the acquisition of the Ultramarine polar expedition ship on 1 April 2021, the Group entered into a sale and leaseback arrangement with a third party, which provided US$121.4m (£88.1m) of financing. The total principal amount owing at 30 September 2021 was £80.1m.

Excluding lease liabilities, total interest-bearing loans and borrowings amounted to £283.6m (2020: £186.4m) at the financial year end. The increase in the year arose as a result of the aforementioned loans for yachts, boats and Ultramarine.

The Group's intangible assets (comprising goodwill and brands) totalled £35.5m (2020: £48.6m), the majority of which related to the brands that were recognised on the acquisition of the Travelopia Group in June 2017, whilst goodwill of £9.8m (2020: £9.8m) arose on the acquisition of Enchanting Travels. The reduction in the year of £13.1m is primarily due to the disposal of brands that were contained within the CAA ring fenced group. A review of the carrying value of all intangible assets has been undertaken as a result of Covid-19, including an assessment of the Group's businesses' actual and expected future performance. This has not led to any significant impairment charges in the financial year.

Property, plant and equipment of £257.2m (2020: £201.0m) primarily consists of the Group's marine vessels and owned hotels and bases. Total additions to property, plant and equipment was £112.0m (2020: £38.1m), primarily consisting of the acquisition of the Group's new polar expedition ship, the Ultramarine, on 1 April 2021 and continued investment into Buyer Furnished Equipment for use in two new leased aircraft.

The Group adopts IFRS 16 in respect of leases, which significantly changes the way in which its statutory results are reported compared to both internal management and external stakeholder reporting. Right of use assets and liabilities are recognised in the statutory consolidated balance sheet, whilst depreciation and interest are recognised in the consolidated income statement, outside of Adjusted EBITDA. The Group commenced the financial year with 700 operating leases. A further 121 newly capitalised leases were taken on and 158 in total were disposed. The majority of these leases sit within the Yachts and Le Boat divisions. Yachts and boats are sold to customers and then leased back for a fixed term period so that these divisions can charter these vessels to other holidaying customers, whilst still providing some access to the leaseholder for their benefit. Total right of use assets held on the balance sheet at 30 September 2021 amounted to £116.3m (2020: £108.3m), £71.7m (2020: £91.4m) of which related to expedition ships, yachts and motor boats, whilst £35.2m of leased assets were in respect of an aircraft for TCS and two helicopters for the Ultramarine ship. Corresponding lease liabilities of £136.1m (2020: £117.5m) are recognised at the balance sheet date.

STRATEGIC REPORT (continued)

In January 2021, the Group completed an internal restructure to segregate the UK tour operators (and their subsidiary companies) and the Irish tour operator from the rest of this Group in order to simplify the regulatory structure within which the Group operates. To effect the restructure, the companies were disposed for consideration of £73.3m, by way of interest-bearing loans payable to the Group. £14.0m of these loans were repaid by the Company's parent, Travelopia Group Holdings Limited, in the year. The majority of the remaining loans are repayable to the Group on the subsequent disposal of each CAA ring fenced group subsidiary, or earlier, at the option of the borrower, subject to regulatory approval.

Total trade and other trade payables amounted to £293.3m (2020: £266.0m), of which £225.8m (2020: £183.6m) related to total customer deposits. Customer deposits for departures after more than one year out from the balance sheet date amounted to £33.5m, compared to £0.5m at 30 September 2020, reflecting an increase in customer confidence in the future of travel.

No dividends were paid during either financial year and the Directors do not recommend the payment of a final dividend.

Post balance sheet events and future developments

UK and global travel restrictions have continued to impact the Group into 2022. However, the global roll out of Covid-19 vaccines and boosters, the lifting of some travel restrictions and continued bookings and re-bookings give the Directors confidence that booking momentum and business will continue to recover in earnest as international travel restrictions ease further.

A key focus area for the Group will continue to be cash management and carefully navigating through the pandemic. Since the balance sheet date and up until the date of signing these financial statements, the Company has been provided with an additional interest-bearing loan of £20.0m from its parent, Travelopia Group Holdings Limited, to provide additional liquidity and funding for the Group.

The Directors remain confident in the future of travel and of recovery continuing to build throughout 2022 based on the current outlook.

Going concern

The global travel restrictions and requirements caused by Covid-19 have significantly impacted the Group's and its suppliers' ability to deliver and operate its core products in the financial year and up to the date of signing these financial statements.

During the year, the Group has generated over £25m of additional liquidity through inventory financing in the Yachts division and through the sale and lease back of part of the Le Boat fleet. Additionally, TCS has sub-let one of its two leased planes to offset the associated lease costs whilst Quark Expeditions has renegotiated terms to delay and reduce payments for its leased expedition ships. The acquisition of the Ultramarine ship has largely been financed with new long term debt. The Directors have continued to give regular business updates to the Group's merchant card acquirers and other key stakeholders of the Group and risks and exposures are being actively managed as necessary.

Prior to the year end, the Group agreed amended terms of its banking facilities with the Senior Lenders, which extended the repayment dates of the £100.0m term loan and £80.0m revolving credit facility to 15 December 2025 and 15 September 2025 respectively. Further, the Net Debt to Adjusted EBITDA ratio covenant ('net debt covenant') testing holiday was extended for a period of two years, such that the next covenant test is now 30 September 2023. The minimum liquidity covenant that was put in place last year has been extended in the interim period and has been satisfied throughout the year and up to the date of signing these financial statements.

As part of the agreement with its Senior Lenders, £20m of additional shareholder borrowing has been received by the Company subsequent to the financial year end, together with a commitment of further funding, should it be necessary.

The Group continues to prepare 13-week rolling cashflow forecasts, together with monthly forecasts for the financial year ending 30 September 2022 ('FY22'). The Group has also agreed its Budget for the year ended 30 September 2022 ('FY22 Budget') and Strategic Plan covering the financial period to 30 September 2024 with its ultimate shareholders. The latest FY22 forecast and Strategic Plan form the basis of the Directors' going concern assessment, with the term used in the assessment being the period to 31 July 2023.

STRATEGIC REPORT (continued)

The forecast used in the assessment assumes some recovery of global travel in FY22 with a further recovery in FY23 and beyond. As a result of the actions taken in the last two years to reduce costs, the additional fleet financing taken on and stronger than expected bookings and rebookings being seen for FY22 and beyond, the Group started FY22 in a strong position and ahead of budgeted expectations. The forecast assumed a slow return to travel, with some recovery assumed in the second half ('H2') of FY22 with the Group's cash low points in the assessment period being expected in the second quarter of FY22. As continued disruption was assumed over the first half of the financial year, neither the Russian/Ukrainian conflict nor the Omicron variant has materially impacted the FY22 outlook as at the date of signing these financial statements.

The global roll out of Covid-19 vaccines and recent commencement of relaxation of some global travel restrictions has improved consumer confidence and while the Omicron variant has led to some set back over recent months, the Directors consider the current outlook to be positive. Whilst there continues to be some uncertainty around the duration and extent of global travel restrictions, the Directors have been prudent in their planning assumptions. The FY22 forecast assumed that there would be limited Antarctic operations (Winter 2021/22) for Quark Expeditions, significantly impacted TCS operations and a delayed re-opening of long haul travel. It also assumed the continued strong performance of Yacht sales and Yacht charter over Winter 21/22, driven predominantly by US customers travelling to the Caribbean. Even with this set of prudent planning assumptions, the Directors do not anticipate any additional funding requirement from its shareholders over the going concern assessment period.

In assessing the Group's going concern outlook, the FY22 forecast has been sensitised to model and assess the potential impact of a further delay in the recovery of travel. Severe but plausible sensitivities to both revenues and variable costs have been applied to each applicable business over the assessment period. The FY23 forecast assumes that any remaining global restrictions are manageable such that travel can return towards that seen before the global pandemic. The Directors anticipate that even in a severe downside scenario, the liquidity available to the Group from committed funding is sufficient to enable it to continue trading as a going concern and therefore, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis of accounting without the inclusion of a material uncertainty statement.

STRATEGIC REPORT (continued)

Section 172 (1) Statement
The information provided below is intended to explain how the Directors considered the interest of the Company's key stakeholders and the broader matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the Company under section 172 of the Companies Act 2006. Their duty has been central to the Board's decision-making processes and outcomes since the commencement of the Group in June 2017.

Long-term consequences of decision-making
The Group operates within a regulated environment in which regulators mandate certain protections over customer monies and compliance with various financial covenants. The Directors ensure adherence to these regulations and seeks to grow the business within the regulatory environment within which it operates. With the Group's shareholders' desire being to maximise its value over time, a long term outlook underpins strategic decision-making at Board level.

When making decisions, the Board takes the course of action that it considers will lead to the success of the Group over the long term, which includes considering the broad range of stakeholders that interact with, and are impacted by, our operations. Processes are in place and regular meetings are held with the Executive Leadership Team ('ELT'), to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Group's long-term success.

The Board maintains oversight of the Group's performance, delegating day-to-day management and decision-making to its ELT, whilst reserving specific matters for approval, including strategic direction and significant new business initiatives. By receiving regular updates on business initiatives and plans, the Board is able to monitor how the ELT are performing in accordance with the agreed strategy.

Reputation for high standards of business conduct
The Board is responsible for ensuring integrity and transparency in its conduct. It has established systems of corporate governance and approved policies and procedures that promote corporate responsibility and ethical behaviour.

Key policies include an Anti-Bribery and Corruption policy and a Trade Sanctions policy. A whistleblower hotline has also been established where employees can report any concerns anonymously. Further, as noted in the Directors' Report, the Group's Modern Slavery Act Statement describes the steps it has taken to ensure that slavery and human trafficking were not taking place in the context of any of the Group's businesses.

Stakeholders and the Group's engagement with them
The Board seeks to understand and balance the respective interests of each stakeholder, ensuring that they are duly and properly considered in the Board's decisions.

The Board ensures regular communication with the Group's stakeholders through various channels, including the provision of information through telephone calls, meetings and presentations and through submission of management reports. It is also two-way, so that the views of stakeholders can be considered in the decision-making process. Much of it takes place at an operational level, this being especially true in respect of the Group's customers and suppliers, with whom it deals with in the ordinary course of business on a day-to-day basis.

The Board considers and discusses information from across the organisation to help it understand the impact of the Group's operations and the interests and views of its key stakeholders. It also reviews strategic, financial and operational performance, as well as information covering areas such as key risks and legal and regulatory compliance.

STRATEGIC REPORT (continued)

The Directors consider the following to be the Group's key stakeholders:

Owners. The Group is ultimately owned by KKR & Co. Inc ('KKR'), a leading global investment company that manages multiple alternative asset classes including private equity funds, with total assets under management of over $459bn (£341bn) at 30 September 2021. KKR take a partnership approach to ownership, enabling the Group to benefit from the breadth and expertise of their entire firm. KKR believes that the combination of their industry knowledge, investment experience and operational expertise, when partnering closely with management teams with a track record of success, provides them with an edge in identifying and creating value in investment opportunities. This structure also serves to ensure that all members of the Group (i.e. KKR and the ELT) are fairly represented and considered.

The partnership approach means the ELT have continued to work extremely closely with KKR throughout the year to set the best course possible in navigating through the pandemic. This, together with the positive long-term outlook for travel, has given KKR the confidence to continue supporting and investing in the Group, with some additional liquidity being injected into the Group as a shareholder loan after the financial year end.

Lenders. The Group has a syndicate of globally leading lending banks, which, at its inception in June 2017, provided it with a £100.0m term loan facility and additional £80.0m revolving credit facilities. As such, the syndicate is a key stakeholder in the continued growth of the Group.

The long-term success of the Group could be adversely affected if it fails to comply with any of the obligations under its Senior Facility Agreement ('SFA'). A failure to comply could put the Group into default which could be costly to remedy or at worst the facilities could become due and payable on demand. Any such failures could also affect the Group's ability to secure future borrowings and impact the related cost of borrowing.

The Group reports to its banking syndicate on a monthly basis by the provision of monthly financial reports, as well as presentations at various times throughout the year. These meetings help broaden the lenders' understanding of the Group's businesses and answer their questions on trading and forecasts.

External lenders have also provided asset-backed finance during the financial year which have either provided additional liquidity or enabled the acquisition of the Ultramarine and new yachts. Stakeholder engagement is in managed in accordance with each lenders' contractual requirements.

Regulators (including the Civil Aviation Authority (the 'CAA'), IATA and ABTA). As a global travel group, the Group is regulated by a number of travel regulators and regulations. The Board seek a constructive and cooperative relationship as it complies with applicable laws, regulations and licencing conditions. In January 2021, the Group completed an internal restructure to segregate the UK and Irish tour operators from the rest of the Group in order to simplify the regulatory structure within which the Group operates. Flows of cash between the CAA ring fenced group and the Group are also regulated by the CAA with certain transactions requiring CAA consent.

The Group is also required to abide by IATA and other country specific laws and regulations in respect of matters such as payment for ticketing and the holding of customer monies.

Bond providers. A common feature of the regulated industry in which the Group operates is that of travel bonds, which provide a form of financial protection that many regulators require tour operators to provide, as an effective means of providing consumer protection.

Merchant card acquirers. The Group's merchant card acquirers provide customer payment services to ensure the safe receipt of monies. The Group provides its merchant card acquirers with periodic financial reporting updates as the basis for its engagement with them.

Employees. The Group could not continue to provide the high quality experiences and strong levels of customer satisfaction without the hard work and dedication of all of its employees. Regular communication with employees is undertaken through video and meeting presentations, 'town hall' meetings and emails to ensure adherence to all employment laws and regulations in the areas the Group operates. The Board values all its employees around the world.

STRATEGIC REPORT (continued)

Guests. Customer satisfaction is of upmost importance and we strive to exceed customer expectations in all products and experiences that we offer. We seek customer feedback at multiple touch points of the customer journey and look to improve and develop the customer experience, taking action based on the feedback received. We know that customers always have an alternative choice and are proud of the loyal customer base that we have, strong customer satisfaction scores we receive and industry awards that we have won.

Suppliers. Given the breadth of our businesses and the products and experiences that we offer we have an equally broad range of suppliers that we rely on. We therefore choose our suppliers carefully to ensure that the quality and experience that our guests expect is surpassed and we have many strong and long standing supplier relationships. We carry out retenders where necessary and explore new offerings to ensure that we can continue to offer new, exciting and high quality products to our guests.

Communities. The Group actively engages with the communities in which it operates to build trust and understand the local issues that are important to them. Key areas of focus include how the Group can support local causes and issues, create opportunities to recruit and develop local people, while being responsible stewards of travel holidays. Throughout the Group, the Board is committed to promoting responsible tourism. It aims to protect the environments and the local people in the destinations to which its customers travel and on which the long term success of the Group depends.

Quark Expeditions, for example, is committed to environmentally responsible tourism. Its Polar Promise, a comprehensive sustainability strategy framework, incorporates sustainability initiatives into a cohesive plan and is made up of four pillars: i) embedding responsible business principles; ii) reducing its carbon footprint and waste sent to landfills; iii) conservation and impact in polar environments; and iv) building its guests' polar legacy. Further information on its Polar Promise can be found at www.quarkexpeditions.com/sustainability.

Board decisions

The Board has always considered the impact of its decisions on its stakeholders and acknowledges that one decision can impact multiple stakeholders at the same time and that a decision which may be beneficial to one stakeholder could be detrimental to others. In doing so, the Directors ensure that they act in the way they consider, in good faith, would most likely promote the success of the Group for the benefit of its shareholders and stakeholders as a whole.

The year was a very challenging one for the Group. Not only has the global pandemic had a significant impact on its customers' ability to travel, it has meant that the Directors have had to ensure sufficient liquidity remained in the Group to ensure it could continue to trade throughout and beyond the current financial year. Accordingly, the Board has taken the necessary decisions to continue to deliver on the long-term strategic objectives and has built a platform for future growth in order to maximise recovery over the next three years. These decisions have led to actions such as: non-core assets (such as two ski hotels) have been disposed; the boat and yacht fleets have been reduced in size; additional loan financing has been obtained from both the Group's shareholders and external lenders; the term loan facilities have been extended; property and IT costs have been significantly reduced; leases have been re-negotiated to reduce and/or defer costs; and a global resourcing model leveraging the Group's experience of remote working has been implemented. The Directors also approved its Budget and Strategic Plan for the forthcoming financial year with the Group's owners.

Principal risks and uncertainties

Successful management of existing and emerging risks is critical to the long-term success of the Group and to the achievement of its strategic objectives. Some levels of business risk must be accepted to seize market opportunities and achieve these objectives. Risk management is therefore an integral component of the Group's governance and oversight.

The Covid-19 pandemic continues to impact the travel industry as fluctuating case rates and differing global vaccination and testing requirements dampen demand. The Group's management continues to monitor developments closely so that swift action can be taken to update policies and procedures in response to the ever-changing situation, with a view to restarting operations at meaningful levels in each business as soon as it is possible to do so.

STRATEGIC REPORT (continued)

Set against the evolving macroeconomic global environment and the Covid-19 global pandemic, the principal risks and uncertainties throughout the Group are:

- **Liquidity and cashflow risk.** The current global travel restrictions continue to impact the Group's ability to deliver much of its core product and generate profitability at pre-pandemic levels. Whilst the exact duration of the travel restrictions is unknown, the current trajectory is positive with a recent relaxation of restrictions in one of its key markets, the UK, and the Directors anticipate further easing over the coming financial year. The Group is dependent upon its £100m bank loan, £80.0m revolving credit facility and cash reserves. During the financial year, the Directors have agreed an extension of the Net Debt covenant testing holiday until 30 September 2023, whilst obtaining additional financial support from its ultimate shareholder after the year end. With these actions, together with fewer travel restrictions in the future, the Directors are confident the Group will have sufficient liquidity for at least the next twelve months from the date of signing these financial statements.
- **Health and Safety.** Ensuring the health and safety of guests and employees is of paramount importance. The Group is committed to ensuring the health and safety of all of its guests and employees, with health and safety being given the highest profile throughout the organisation and instilled within the Group's culture. Currently, the immediate risk as operations restart is the risk of transmission of Covid-19 to its customers and employees. The Group strives to mitigate this where it can with policies and procedures in place to reduce transmission. Strict policies and procedures also exist to manage and where possible, mitigate other health and safety risks that its customers may be exposed to while on holiday with the Group. Health and safety incidents could result in reputational damage and financial consequences for the Group and/or one of its brands.
- **Destination disruption.** Tour operators are exposed to the inherent risk of domestic and international incidents affecting operations in its destinations. This not only includes the global travel restrictions caused by Covid-19, but also natural catastrophes such as Hurricane Irma in September 2017, which has continued to impact the Group during this financial year. Weather events that are exacerbated by climate change may increase the level of disruption in destinations. Destination disruption can also include outbreaks of other diseases, war, political instability and terrorism. All of these events can cause significant operational disruption and costs to the Group's businesses. Having geographically diverse brands, destinations and products in the Group helps limit the exposure to any single destination and it seeks to redirect affected customers where possible and as appropriate. The Group follows government advice in its source and destination markets to minimise risk to its customers.
- **Market risk, including customer demand.** The Group relies heavily on the demand from its UK and US customer base to take experiential and tailor-made holidays. It monitors and assesses its customers' appetite for travel, in particular from continuously changing travel restrictions and vaccination requirements in source and destination markets resulting from the pandemic. The Group constantly monitor prices, costs and booking levels to try and maximise customer demand and financial return.
- **Fleet delivery risk.** The Group has signed contracts for significant levels of yacht purchases. Whilst the Board expects these purchases to drive profits in the Group, it also gives rise to financial risk (such as lost margins) in the event that delays occur to their scheduled delivery dates or they are not delivered to the contractually agreed standard. The Group monitors and oversees the construction and purchase of these yachts against their planned timetable and is actively engaged with suppliers in respect of delivery dates.
- **Cyber security**. The Board is responsible for protecting the confidentiality, integrity and availability of the data it has for its guests, employees and suppliers. Failure to ensure the Group has the appropriate level of information security controls increases the risk that an information security breach is not prevented, detected or adequately remediated. This could result in reputational damage, remediation costs and financial penalties for a breach of data protection legislation. The Directors continuously enhance the Group's information security procedures to mitigate this risk.

STRATEGIC REPORT (continued)

- **Climate change.** The Directors continue to monitor global climate change developments, with Corporate Sustainability representation at ELT level. In the forthcoming year, all of the Group's brands will be reporting internally on their carbon emissions on a quarterly basis. The risks from climate change to the Group include changing consumer preferences, increased government regulations and operational costs resulting in reduced passenger volume and/or profit margins. Currently, the Directors do not consider there to be any significant risk to operations or asset valuations arising from climate change in the foreseeable future, but will continue to monitor this. Having geographically diverse brands, destinations and products in the Group will again help limit the exposure to any single destination.

- **Legal and regulatory compliance.** The Group operates across the world, which exposes it to a range of legal, tax and other regulatory laws, all of which must be complied with. Failure to comply may result in fines, sanctions or other implications, such as the loss of a mandatory travel licence. The Group has a Group Legal Compliance team who monitor compliance with laws and regulations and provides advice to businesses on specific areas.

Financial instrument risks

- **Foreign currency exchange risk**. The Group operates internationally and is exposed to foreign currency exchange risk on transactions denominated in a currency other than UK Sterling ('Sterling') as well as the translation of the Group's consolidated balance sheet and income statement of foreign operations into Sterling. The two main currencies that the Group is exposed to are the Euro and US Dollars. A fall in Sterling compared to these two currencies would cause its UK companies selling to those destinations to see an increase in their underlying cost base, if not already hedged against. The Group's businesses enter into derivative financial instruments to forward purchase their foreign currency requirements to mitigate the risk of foreign currency losses. Conversely, in the event of a fall in sterling against the US dollar, the Group's exposure to the US market would see the results of those US-based businesses translating to higher revenues and profitability in the Group's consolidated income statement.
- **Credit risk.** The Group has significant cash and cash equivalent balances throughout the year and the majority of this is held with two global banking groups. Credit risk in this respect refers to the risk that one of these banking groups were to default on its contractual obligations resulting in financial loss to the Group. The Group therefore uses highly reputable and financially strong banking groups with which to deposit its material cash balances. The Group also sells its holidays both directly to the end customers and indirectly via agents. Credit risk is considered to be limited as many of its branded holidays are tailor-made or differentiated, there is no concentration of business on key individual agents across the Group and its end customers are required to pay in full ahead of departure.
- **Interest rate risk.** The Group is exposed to interest rate risk on its interest bearing loans, which are periodically re-set in accordance with their terms. An increase in market rates would therefore reduce the Group's profitability.

Further information on foreign currency risk, credit risk, interest rate, liquidity and cash flow risks are provided in Notes 21 and 30 of the financial statements.

Approval
This report was approved and signed on behalf of the Board on 31 May 2022.

DocuSigned by:
52949CE963DE46F...
J I de Ochoa
Director

Company Number: 10605234

DIRECTORS' REPORT

Directors
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J Metzner (resigned on 31 May 2022)
J I de Ochoa

Directors' insurance
Throughout the financial year until the date of approval of these financial statements the ultimate parent company, KKR & Co. Inc maintained Directors' and Officers' Liability insurance policies that would respond to cover Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Statement as to disclosure of information to auditors
The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Dividends
No dividends were declared or paid during the financial year.

Political donations
During the financial year, the Group and Company made no political donations.

Employees
The Group aims to keep employees aware of all material factors affecting them as employees and the performance of the Group and their respective business. It encourages good communication through regular meetings between management and staff enabling senior managers to consult and ascertain views on all appropriate matters. This is supplemented by regular briefing meetings, email bulletins and divisional internal websites. A free confidential whistle-blowing hotline is also provided for employees. Bonus schemes are used across the Group to reward delivery of its strategic plans and strong individual performance.

The Group employed an average of 1,400 (2020: 1,800) employees during the financial year. It is the Group's policy to achieve and maintain a high standard of health and safety at work and with regards to employment, training, career development and promotion, to ensure everyone is treated in the same way, regardless of race, religion or gender. The Group gives full consideration to the employment of disabled applicants where the requirements of the role can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment and adaptations under normal terms and conditions and to provide and make every effort with their rehabilitation.

The Group is committed to ensuring that there is no modern slavery or human trafficking in any part of its businesses. This commitment is an integral part of its policies and the way in which it does business. It would never knowingly engage with suppliers or contractors involved in slavery or human trafficking and undertake due diligence when engaging with new suppliers before proceeding. In accordance with the requirements of the Act, the Group has published a Modern Slavery and Human Trafficking Statement signed by the Chief Executive Officer and which is available on the Group's website.

DIRECTORS' REPORT (continued)

Carbon emissions statement

The Company and the Group is exempt from the requirements to disclose its greenhouse gas emissions and energy consumption as required by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as disclosures will be included and disclosed within the consolidated financial statements of Travelopia Group Holdings Limited. Details for obtaining these can be found in Note 39.

Stakeholder engagement

Details of the Group's key stakeholders and how it engages with them are given in Section 172 (1) Statement of the Strategic Report above.

Matters covered in the Strategic Report

Disclosure of the Group's Business Review, funding, liquidity and going concern assessment, financial risk management, post balance sheet events and future developments are included in the Strategic Report.

Statement of Directors' responsibilities

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 period. Under that law the Directors have prepared the consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) 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 Group and Company and of the profit or loss of the Group for that financial period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act have been followed for the consolidated financial statements and IFRSs including FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved and signed on behalf of the Board on 31 May 2022.

DocuSigned by:
52949CE983DE46F...
J I de Ochoa
Director

Company Number 10605234

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tim Midco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 which comprise the Consolidated income statement, Consolidated statement of total comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements has applied applicable law and United Kingdom Accounting Standards, including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

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 Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Matter

The corresponding figures are unaudited.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports of the Directors other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Statement of Directors' responsibilities, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We 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 manipulate financial results, including separately disclosed items and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the impairment of non-current assets as a result of Covid-19 and separately disclosed items.
- Identifying and testing journal entries that are outside of our expectations, in particular any journal entries posted from staff members with privileged access rights, journals posted by key management, journals with values in excess of our expectations and consolidation adjustments.
- Agreeing a sample of separately disclosed items to supporting documentation and challenging management on the appropriateness of the classification and the presentation.
- Gaining an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considering the risk of non-compliance.
- Focusing on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, international accounting standards, Companies Act 2006 and certain requirements for UK tax legislation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Dominic Stammers
97BA9A1AB9B8485...

Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

31 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement for the financial year ended 30 September 2021

	Note	**Year ended 30 September 2021**	Year ended 30 September 2020
		£m	£m
Continuing operations			
Revenue	9	**203.4**	360.2
Cost of sales		**(198.7)**	(314.6)
Gross profit		**4.7**	45.6
Distribution costs		**(23.8)**	(48.1)
Administrative expenses		**(74.5)**	(93.7)
Other income		**0.9**	-
Operating loss		**(92.7)**	(96.2)
Analysed as:			
Adjusted EBITDA		**(22.4)**	(13.3)
Depreciation, amortisation and impairment on non-acquisition related assets	11	**(55.3)**	(62.7)
Acquisition and disposal related items	12	**(4.6)**	(6.0)
Separately disclosed items	13	**(10.4)**	(14.2)
Operating loss		**(92.7)**	(96.2)
Financial income	14	**5.1**	1.9
Financial expenses	15	**(22.4)**	(18.9)
Net financial expenses		**(17.3)**	(17.0)
Loss before tax		**(110.0)**	(113.2)
Taxation credit	16	**4.7**	4.9
Loss after tax from continuing operations		**(105.3)**	(108.3)
Discontinued operations			
Profit/(loss) after tax for the financial year from discontinued operations (attributable to equity holders of the parent)	17	**48.7**	(4.8)
Total loss for the financial year attributable to equity holders of the parent		**(56.6)**	(113.1)

Details of the presentation of the results for the year ended 30 September 2020 in respect of the disposal of the CAA ring fenced group and its subsequent reclassification as a discontinued operation can be found in Note 3.

Tim Midco Limited

Consolidated statement of total comprehensive income for the financial year ended 30 September 2021

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Loss for the financial year	**(56.6)**	(113.1)
Other comprehensive income		
Items that will not be subsequently reclassified to profit and loss:		
Remeasurement of defined benefit obligation	**0.4**	0.1
	0.4	0.1
Items that may be subsequently reclassified to profit and loss:		
Foreign exchange translation	**(4.6)**	1.0
Other comprehensive (loss)/income for the financial year, net of tax	**(4.2)**	1.1
Total comprehensive loss for the financial year	**(60.8)**	(112.0)

Total comprehensive (loss)/income attributable to equity holders of the parent arises from:

- Continuing operations	**(109.5)**	(107.2)
- Discontinued operations	**48.7**	(4.8)
Total comprehensive loss for the financial year attributable to equity holders of the parent	**(60.8)**	(112.0)

Tim Midco Limited
Consolidated balance sheet at 30 September 2021

	Note	30 September 2021 £m	30 September 2020 £m
Non-current assets			
Intangible assets	18	**59.2**	80.3
Property, plant and equipment	19	**257.2**	201.0
Right of use assets	20	**116.3**	108.3
Trade and other receivables	21	**14.6**	6.3
Interest bearing receivables	22	**63.0**	1.4
Retirement benefit asset	23	**0.4**	-
Deferred tax assets	24	**28.8**	18.0
		539.5	415.3
Current assets			
Inventories	25	**30.2**	40.6
Trade and other receivables	21	**43.0**	55.5
Income tax recoverable		**0.5**	2.6
Derivative financial instruments	30	**0.1**	0.7
Cash and cash equivalents	26	**119.9**	147.6
		193.7	247.0
Assets classified as held for sale	27	**0.3**	0.3
Total current assets		**194.0**	247.3
Total assets		**733.5**	662.6
Current liabilities			
Interest-bearing loans and borrowings	28	**(11.9)**	(2.6)
Lease liabilities	20	**(28.4)**	(31.0)
Trade and other payables	29	**(251.5)**	(259.5)
Derivative financial instruments	30	**-**	(7.2)
Provisions for liabilities	31	**(5.9)**	(11.2)
Income tax payable		**(4.5)**	(1.6)
Total current liabilities		**(302.2)**	(313.1)
Non-current liabilities			
Interest-bearing loans and borrowings	28	**(271.7)**	(183.8)
Lease liabilities	20	**(107.7)**	(86.5)
Trade and other payables	29	**(41.8)**	(6.5)
Derivative financial instruments	30	**-**	(0.3)
Provisions for liabilities	31	**(1.7)**	(2.4)
Retirement benefit obligations	23	**-**	(0.1)
Deferred tax liabilities	24	**(10.0)**	(10.7)
		(432.9)	(290.3)
Total liabilities		**(735.1)**	(603.4)
Net (liabilities)/assets		**(1.6)**	59.2
Equity			
Called up share capital	32	**22.8**	22.8
Share premium account		**205.0**	205.0
Retained earnings		**(228.7)**	(172.5)
Foreign exchange reserve		**(0.7)**	3.9
Total equity attributable to equity holders of the parent		**(1.6)**	59.2

The notes on pages 23 to 77 form part of the consolidated financial statements. The consolidated financial statements on pages 18 to 77 were approved and authorised for issue by the Board of Directors on 31 May 2022 and signed on its behalf by:

DocuSigned by:
52949CE963DE46F...

J I de Ochoa
Director
Company number: 10605234

Tim Midco Limited

Consolidated statement of changes in equity for the financial year ended 30 September 2021

	Called up share capital £m	Share premium account £m	Retained earnings £m	Foreign exchange reserve £m	Total equity £m
At 30 September 2019	22.8	205.0	(59.5)	2.9	171.2
Loss for the financial year	-	-	(113.1)	-	(113.1)
Other comprehensive income for the financial year	-	-	0.1	1.0	1.1
Total comprehensive loss for the financial year	-	-	(113.0)	1.0	(112.0)
At 30 September 2020	**22.8**	**205.0**	**(172.5)**	**3.9**	**59.2**
Loss for the financial year	-	-	(56.6)	-	(56.6)
Other comprehensive income/(loss) for the financial year	-	-	0.4	(4.6)	(4.2)
Total comprehensive loss for the financial year	-	-	(56.2)	(4.6)	(60.8)
At 30 September 2021	**22.8**	**205.0**	**(228.7)**	**(0.7)**	**(1.6)**

Tim Midco Limited

Consolidated statement of cash flows for the financial year ended 30 September 2021

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Loss for the financial year		**(56.6)**	(113.1)
Adjusted for:			
Depreciation and amortisation	18,19,20	**58.2**	64.7
Impairment of property, plant and equipment	19	**0.4**	1.0
Impairment of intangible assets	18	**0.2**	7.5
Impairment of right of use assets	20	**-**	1.4
Impairment of trade receivables	11	**0.2**	-
Gain on disposal of subsidiaries	17	**(52.6)**	(30.6)
Loss/(gain) on disposal of property, plant and equipment and intangible assets		**5.9**	(6.4)
Profit restriction on sale and leaseback transactions		**3.7**	3.8
Net foreign exchange differences		**(6.7)**	(4.4)
Net financial expenses		**17.5**	16.4
Taxation	16	**(4.6)**	(5.6)
Operating cash flow before changes in working capital and provisions		**(34.4)**	(65.3)
Decrease/(increase) in inventories		**8.3**	(12.9)
(Increase)/decrease in trade and other receivables		**(7.8)**	28.6
Increase/(decrease) in trade and other payables		**99.0**	(103.9)
(Decrease)/increase in provisions		**(3.7)**	8.1
Cash flows generated from/(used in) operations		**61.4**	(145.4)
Net interest paid		**(19.2)**	(13.7)
Income taxes paid		**(3.6)**	(4.8)
Net cash flows generated from/(used in) operating activities		**38.6**	(163.9)
Investing activities			
Proceeds from disposal of property, plant and equipment		**17.6**	24.0
Acquisition of property, plant and equipment		**(29.5)**	(38.1)
Acquisition of intangible assets	18	**(5.3)**	(12.1)
Disposal of subsidiaries, net of cash disposed	17	**(38.3)**	25.8
Payment of interest bearing borrowings to CAA ring fenced Group		**(8.7)**	-
Repayment of interest bearing borrowings from parent company		**14.0**	-
Net cash flows used in investing activities		**(50.2)**	(0.4)
Financing activities			
Increase in interest bearing receivables		**(0.4)**	(1.4)
Proceeds from new loans	33	**47.4**	67.6
Repayment of borrowings		**(38.3)**	(1.3)
Repayment of capital element of leases		**(23.9)**	(32.9)
Net cash flows (used in)/generated from financing activities		**(15.2)**	32.0
Net decrease in cash and cash equivalents		**(26.8)**	(132.3)
Effect of foreign exchange on cash held		**(0.9)**	(5.3)
Cash and cash equivalents at beginning of year		**147.6**	285.2
Cash and cash equivalents at end of the year	26	**119.9**	147.6

Details of restrictions on cash and cash equivalents are provided in Note 26. Movements in liabilities arising from financing activities are presented in Note 33.

1. General information

Tim Midco Limited (the 'Company') is a private limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. As a direct subsidiary of Travelopia Group Holdings Limited, the Company owns certain subsidiaries within the Travelopia group of companies.

The consolidated financial statements consolidates those of the Company and its subsidiaries (together and hereafter referred to as 'the Group') and are for the financial year ended 30 September 2021. This is the Group's first set of consolidated financial statements. In prior years, the Company elected to take the exemption available to it under Company law not to prepare consolidated financial statements and as such, the comparative information in this set of consolidated financial statements is unaudited.

Certain UK Companies included within these consolidated financial statements have been provided with an exemption from requiring an audit under Section 479(A) of the Companies Act 2006. Further details of the subsidiaries taking this exemption are provided in Note 36.

The principal activity of the Group during the financial year was that of a tour operator and experiential holiday provider, comprising over twenty specialist travel brands across the world.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The consolidated financial statements were authorised for issue on 31 May 2022.

3. Basis of preparation

The consolidated financial statements are prepared on the historical cost and going concern basis unless otherwise stated. The consolidated financial statements are presented in the Group's presentational currency of Sterling, which is also the Company's presentational currency rounded to the nearest one hundred thousand pounds unless otherwise stated. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates.

The results for the financial year ended 30 September 2020 have been presented to reflect the sale of its UK tour operators (and their subsidiaries) and its Irish tour operator ('the CAA ring fenced group') on 20 January 2021, which is accounted for as a discontinued operation. Further information on this is provided in Note 17.

4. Going concern

The continuing global travel restrictions and requirements caused by Covid-19 have significantly impacted the Group's and its suppliers' ability to deliver and operate its core products in the financial year and up to the date of signing these financial statements.

During the year, the Group has generated over £25m of additional liquidity through inventory financing in the Yachts division and sale and lease back of part of the Le Boat fleet. Additionally, TCS has sub-let one of its two leased planes to offset the associated lease costs whilst Quark Expeditions has also been successful in renegotiating terms to delay and reduce payments for its leased expedition ships. The acquisition of the Ultramarine ship has been financed largely with new long term debt. The Directors have continued to give regular business updates to the Group's merchant card acquirers and other key stakeholders of the Group and risks and exposures are being managed.

Prior to the year end, the Group agreed amended terms of its banking facilities with the Senior Lenders, which extended the repayment dates of the £100.0m term loan and £80.0m revolving credit facility to 15 December 2025 and 15 September 2025 respectively. Further, the Net Debt to Adjusted EBITDA ratio covenant ('net debt covenant') testing holiday was extended for a period of two years, such that the next covenant test is now 30 September 2023. The minimum liquidity covenant that was put in place last year has been extended in the interim period and has been satisfied throughout the year and up to the date of signing these financial statements.

As part of the agreement with it Senior Lenders, £20m of additional shareholder borrowing has been received by the Company subsequent to the financial year end, together with a commitment of further funding, should it be necessary.

The Group continues to prepare 13-week rolling cashflow forecasts, together with monthly forecasts for the financial year ending 30 September 2022 ('FY22'). The Group has also agreed its Budget for the year ended 30 September 2022 ('FY22 Budget') and Strategic Plan covering the financial period to 30 September 2024 with its ultimate shareholders. The latest FY22 forecast and Strategic Plan form the basis of the Directors' going concern assessment, with the term used in the assessment being the period to 31 July 2023.

The forecast used in the assessment assumes some recovery of global travel in FY22 with a further recovery in FY23 and beyond. As a result of the actions taken in the last two years to reduce costs, the additional fleet financing taken on and stronger than expected bookings and rebookings being seen for FY22 and beyond, the Group started FY22 in a strong position and ahead of budgeted expectations. The forecast assumed a slow return to travel, with some recovery assumed in the second half ('H2') of FY22 with the Group's cash low points in the assessment period being expected in the second quarter of FY22. As continued disruption was assumed over the first half of the financial year, neither the Russian/Ukrainian conflict nor the Omicron variant has materially impacted the FY22 outlook as at the date of signing these financial statements.

The global roll out of Covid-19 vaccines and recent commencement of relaxation of some global travel restrictions has improved consumer confidence and while the Omicron variant has led to some set back over recent months, the Directors consider the current outlook to be positive. Whilst there continues to be some uncertainty around the duration and extent of global travel restrictions, the Directors have been prudent in their planning assumptions. The FY22 forecast assumes that there would be limited Antarctic operations (Winter 2021/22) for Quark Expeditions, significantly impacted TCS operations and a delayed re-opening of long haul travel. It also assumes the continued strong performance of Yacht sales and charter over Winter 21/22, driven predominantly by US customers travelling to the Caribbean. Even with this set of prudent planning assumptions, the Directors do not anticipate any additional funding from its shareholders will be necessary over the going concern assessment period.

In assessing the Group's going concern outlook, the FY22 forecast has been sensitised to model and assess the potential impact of a further delay in the recovery of travel. Severe but plausible sensitivities to both revenues and variable costs have been applied to each applicable business over the assessment period. The FY23 forecast assumes that any remaining global restrictions are manageable such that travel can return towards that seen before the global pandemic. The Directors anticipate that even in a severe downside scenario, the liquidity available to the Group from committed funding is sufficient to enable it to continue trading as a going concern and therefore, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis of accounting without the inclusion of a material uncertainty statement.

5. Underlying measures of profits and losses

Alternative performance measures

These consolidated financial statements contain a financial profit measure that is not defined or recognised under IFRS, namely Adjusted EBITDA, which excludes separately disclosed items and acquisition and disposal related items. This measure is not a measure of financial performance under IFRS and should not be considered as an alternative to indicators, operating performance, income and cost classifications that are derived in accordance with IFRS. Accordingly, this non-IFRS measure should be viewed as supplemental to, but not as a substitute for, measures presented in these consolidated financial statements which are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act.

Adjusted EBITDA

The Board believes that Adjusted EBITDA provides additional and meaningful guidance in addition to statutory measures to help understand the Group's underlying tour operating performance during the financial year. It is a measure that is used by management to internally assess the maintainable underlying performance of the Group's business and is not intended to be a substitute measure for adopted IFRS measures. With the exception of new accounting standards adopted by the Group since June 2017 such as IFRS 15 and 16, Adjusted EBITDA is also broadly equivalent to the measure used in the Group's management accounts and bank covenant tests.

Adjusted EBITDA is defined as profit or loss before tax from continuing operations stated before financial income and expenses; depreciation, amortisation and impairments of assets; acquisition and disposal related items; and separately disclosed items.

It should be noted that the definition of Adjusted EBITDA used in these consolidated financial statements are those used by the Group and may not be comparable with the term 'underlying' or 'EBITDA' as defined by other companies within both the same sector, or elsewhere, since there are no generally accepted principles governing the calculation of this measure of profit. As such, Adjusted EBITDA could have limitations as an analytical measure, some of which are:

- *It does not reflect the Group's past or future cash expenditure for capital expenditure;*
- It does not reflect the Group's interest expense, or the cash requirement to service interest and principal payments on the Group's bank loans;
- It does not reflect gains and losses on the acquisition and disposal of subsidiaries; and
- Excludes items that, in the opinion of the Directors, are exceptional in nature and outside of the ordinary course of business.

Separately disclosed items

Separately disclosed items are those significant items which in management's judgement are highlighted by virtue of their size, nature and/or incidence to enable a full understanding of the Group's underlying financial performance. Such items are included within the income statement heading to which they relate. Further information relating to Separately disclosed items is included in Note 13.

Acquisition and disposal related items

Acquisition related items comprises amortisation and impairment of business combination intangibles, employment related deferred consideration for the acquisition of businesses and transaction costs. Directly attributable acquisition and disposal costs are expensed in the consolidated income statement as incurred. Gains and disposal related items arising from the sale of discontinued operations are presented within the total result from discontinued operations.

6. Accounting policies

New standards, amendments and interpretations

The Group has applied the following amendments to existing standards as follows:

Amendments to IFRS 16 'Leases' – COVID-19 related rent concessions

The amendment exempts lessees from having to consider whether rent concessions occurring as a direct consequence of the pandemic are modifications and allows lessees to account for such rent concessions as if they were variable lease payments and not lease modifications. This amendment had no impact on the Group as it has not applied this practical expedient in the preceding financial year.

Amendments to IAS 1 and IAS 8 on the definition of material
The amendments: i) use a consistent definition of materiality throughout IFRSs; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. As this amendment is providing clarification of a definition intended to improve disclosures, this has not impacted the Group's results or disclosures in either financial year.

Other new amendments
The amendments to IFRS 3 – Definition of a business and to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform – Phase 1 have not had any impact on the Group's results in the current or previous financial year.

Accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of consolidation
The consolidated financial statements consolidate those of the Company and its subsidiaries and present the results of the Group as if it formed a single entity. Accounting policies of subsidiaries are amended where necessary to be consistent with those adopted by the Group. The parent Company financial statements present information about the Company as a separate entity and not about the Group.

(i) Subsidiaries
Where the Company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Where the Group ceases to have control of any subsidiary, the assets and liabilities of that subsidiary are derecognised at the date that control is lost and any gain or loss on disposal is recognised within other income in the consolidated income statement. The gain or loss is measured at the fair value of the consideration received less the share of the carrying value of the net assets of the subsidiary disposed.

(ii) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains or income and expenses arising from intra-group transactions are eliminated in preparing the Group's consolidated financial statements.

Revenue
The Group recognises revenue from the sale of holidays and the sale of boats and yachts. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Directors have generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of holidays
Revenue is measured at the fair value of the contractual consideration received or receivable and represents amounts receivable for goods and services in the normal course of business during the accounting period. Revenue is recognised net of discounts, value added tax, and other sales related taxes and is measured as the aggregate amount earned from inclusive holidays, tours, trips, marine charters and expeditions. Revenue from sale of holidays is comprised of one performance obligation and the transaction price is recognised over the duration of the holiday (taking the time elapsed from departure to return). For the sale of holidays, the Group receives part payment of the holiday by way of a deposit from customers upon booking of the holiday and the balance in advance of departure date. Cancellation income, in respect of non-refundable amounts paid on bookings cancelled by the customer prior to the date of departure, is recognised at the time of cancellation, providing all performance obligations have been met. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that good or service will be one year or less.

Sale of boats and yachts
Revenue from sale of boats and yachts is comprised of one performance obligation and is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the boat or yacht, full payment has been made and contractual obligations have been met.

The Group does not disclose the aggregate amount of the transaction price allocated to partially unsatisfied performance obligations as the contracts have an original expected duration of less than one year.

Sub-lease income
Income from the sub-leasing of operating lease assets is recognised over the performance period, which is considered to be the term of the sub-lease. Revenue is recognised at the contractual amounts due from the lessee.

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

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

Government grants
Government grants are recognised in the income statement on a systematic basis over the period in which the related costs towards which they are intended to compensate are recognised as expenses, providing that the company has complied with all conditions attached and that the grant has either been received or is receivable. Where the grant is in respect of compensation for expenses incurred, the expenses are presented on a net basis.

Expenses
(i) Marketing and other direct sales costs
Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed when the benefit of the goods or services is made available to the Group. In particular, merchandise provided free to customers, brochure and advertising costs are expensed to the consolidated income statement when the Group's suppliers have delivered the relevant material.

ii) Cost of sales
Costs of sales include costs in relation to the provision of holidays supplied to customers including such items as airfares, accommodation and transfer costs, direct employee costs, repair costs and depreciation charges on property, plant and equipment that is used directly to deliver that sale. These costs are recognised when incurred, other than the cost of airfares, accommodation and transfer costs of a holiday, which are recognised over the duration of the holiday. Costs relating to the sale of yachts and boats are recognised at the same point in time as their related revenue.

Profits and losses on disposals of subsidiaries
Where material, profits and losses on disposals of subsidiaries are presented within other income/expenses where the disposed business does not meet the definition as a discontinued operation. Additional analysis for these profits and losses on disposals of subsidiaries is disclosed within acquisition and disposal related items.

Insurance proceeds
Insurance proceeds are recognised as cash if received in the financial period or as a receivable, together with the related income within the consolidated income statement if objective evidence exists to demonstrate that recovery is considered virtually certain by the balance sheet date. All losses for which the insurance proceeds are receivable are accounted for as a separate transaction to any related provision.

Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

(ii) Defined benefit plans

The Group's net asset (2020: obligation) in respect of a defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior financial periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted in calculating the overall net asset or liability. The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds denominated in the currency of, and having the same maturity dates approximating to, the terms of the plan's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net pension asset or liability, including actuarial gains and losses, are recognised immediately in other comprehensive income. Contributions are made to fund the plan by the sponsoring company. The current service cost is included in the consolidated income statement as a personnel expense. The interest charge on the net pension liability is calculated by applying the applicable discount rate to the net pension liability at the beginning of the financial year, taking account of any changes in the net pension liability during the year as a result of contributions and benefit payments.

(iii) Employee benefits

Short-term employee benefits are expensed as the related service is provided. Long-term benefits are recognised as an expense over the period that the benefit relates to, taking into account the requirement to meet profit and cash targets as well as continued employment over the vesting period. A liability is recognised for the amount expected to be paid if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Income from Government furlough schemes that are intended to support the Group's costs are recognised as a reduction of the expense.

iv) Employment termination benefits

Employment termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. The costs are recognised within the same category of expenditure as the underlying employment costs. These costs may also be presented as Separately disclosed items where appropriate.

Financial income

Financial income mainly comprises of interest income on loans to related parties, foreign exchange gains on financial items and gains on derivative financial instruments.

Financial expenses

Financial expenses comprise interest expense on borrowings and lease liabilities and any net losses on derivative financial instruments. All borrowing and lease liability financial expenses are recognised in profit or loss using the effective interest method. Unrealised gains and losses on derivative financial instruments are reported separately on a net basis.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income, in which case the related tax is recognised in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the financial year, using average tax rates applicable for the financial year. The Group operates in many tax regimes and is subject to the tax implications of operating in different tax environments. Actual tax assets and liabilities for the current financial period are measured at the expected amounts payable, or in the case of taxable losses, recoverable from tax authorities. Judgement can sometimes be required to determine the current and deferred tax assets and liabilities, such as the recoverability of such assets. Various internal and external factors may have favourable or unfavourable effects on income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation and changes in tax rates.

(ii) Deferred tax
Deferred tax is provided or recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill not deductible for tax purposes; differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future; and differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss in the consolidated income statement. The amount of deferred tax asset recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rate at which the asset or liability is expected to reverse in future periods, based on tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Such profits depend upon a variety of internal and external factors, including expected development and the Strategic plan for that business. Deferred tax assets are reduced in the financial period in which it is no longer probable that the related tax benefit will be realised.

Foreign currency
(i) Foreign currency transactions
Transactions in foreign currencies are initially recorded at the rate approximating to the foreign exchange rates ruling at the dates of the transaction for each entity. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the functional currency spot rate ruling at the reporting date and recognised in the consolidated income statement. Foreign exchange gains and losses resulting from the settlement of such transactions are also recognised in the consolidated income statement.

(ii) Foreign operations
The assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated from functional currency to Sterling at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of overseas operations are translated from functional currency at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on the translation of foreign operations are recognised in other comprehensive income, outside of profit and loss and disclosed in the consolidated statement of changes in equity as a foreign exchange difference within a separate foreign exchange reserve. Foreign exchange gains and losses arising from monetary items receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in a foreign operation and are recognised directly in other comprehensive income.

Assets held for sale and discontinued operations
To meet the definition of a discontinued operation, the subsidiary, subsidiaries or component of business being sold must be both classified as held for sale and are either a separate major line of business or geographical area of operations or part of a single plan to dispose of. In determining whether the businesses to be sold are held for sale, the intended disposal must be highly probable. This requires management to be committed to the disposal plan, a program to locate the buyer has commenced, the business is being marketed at a reasonable price, there are unlikely to be any significant changes to the plan and disposal completion is expected within one year.

Where a separate major line of business or geographical area of operation has been sold in the financial year, but was not considered to to be a discontinued operation in the prior financial year, the post-tax profit or loss result (but not the balance sheet or cash flow statement) of the current and prior financial year pertaining to the discontinued operation is presented in the consolidated statement of comprehensive income up until its date of disposal as a single line item, after the Group's post-tax result from continuing operations.

Business combinations

Business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries and represents the difference between the fair value of consideration paid and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles, such as brands, customer relationships, beneficial contracts and the order book are those which can be sold separately (or which arise from contractual or legal rights regardless of whether those rights are separable) and the fair value can be reliably measured. The fair value of the consideration paid can include cash and consideration that is contingent upon events occurring after the acquisition date, the latter of which is estimated and adjusted through the consolidated income statement up until the consideration is no longer contingent. Consideration payable for business combinations that is linked to, or conditional upon, continued employment is accreted to the consolidated income statement over the period of the earnout period.

Intangible assets

(i) Computer software, software in development and other intangible assets

Computer software consists of all software that is not an integral part of the related computer hardware and is stated at cost less accumulated amortisation and impairment losses other than those acquired in a business combination, which is initially recognised at fair value.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development and to use or sell the software product; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the business' and the software developer's employee costs. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent financial period.

(ii) Brands, customer relationships and order book

Brands, contractual customer relationships, beneficial contracts and the order book acquired in a business combination are recognised at fair value at the acquisition date. These intangibles have a finite useful life and are subsequently carried at cost less accumulated amortisation.

(iv) Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful economic life of each type of intangible asset as follows:

Computer software	3 - 10 years
Brands	10 - 25 years
Order book	Over the period when travel occurs, expected to be within 2 years
Customer relationships	Over the period during which value will be obtained by the Group (from 2 to 13 years)
Beneficial contracts	13 – 20 years

Software in development is not amortised. Upon completion of development and bringing the software into use, the costs are re-categorised into computer software and amortisation commences. Licences in respect of bar licences in France (known as "fonds du commerce") are not amortised (on the basis that the licence has an indefinite life) unless there is objective evidence to suggest the market value has fallen below cost.

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Fair value adjustments are made in respect of property, plant and equipment acquired as part of a business combination, but are not subsequently remeasured to fair value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Property, plant and equipment are presented separately from right of use assets in the consolidated balance sheet.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Except as noted below, depreciation is charged to the consolidated income statement from the date that the asset has reached its location of intended use and capable of operating in the manner intended by management, on a straight-line basis over the estimated useful economic lives of each item of property, plant and equipment. The useful economic lives are as follows:

Freehold properties	Up to 50 years
Short leasehold improvements	Lease period or useful economic life if shorter
Yachts	5 - 15 years
Motor boats	15 - 24 years to 50% of residual value
Aircraft equipment	Lease period
Computer equipment	3 - 10 years
Other assets	Up to 10 years

Freehold land and assets under construction are not depreciated. The depreciation methods, useful economic lives and residual values are reassessed annually. Revisions to useful economic lives and residual values are accounted for prospectively from the date of change. Residual values are considered to be zero unless otherwise stated.

(iii) Disposal

An item of property, plant and equipment is derecognised upon disposal, with any gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the financial period of disposal.

Leases

The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right of use asset and a lease liability on the balance sheet.

The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right of use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments. Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

On renegotiation of contractual terms, the accounting depends on the nature of the modification. If one or more additional assets are leased for an amount commensurate with the stand alone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the policy above. In all other cases where the renegotiated contract increases the scope of the lease, such as lease term extension, the lease liability is remeasured using the discount rate applicable on the modification date, with the right of use asset being adjusted by the same amount. Where the renegotiation results in a scope decrease, both the carrying amount of the lease liability and right of use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right of use asset is adjusted by the same amount.

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

Within the consolidated balance sheet, right-of-use assets have been presented separately from property, plant and equipment, whilst lease liabilities have also been presented separately.

The values of the right of use assets and liabilities recognised in respect of those leased assets which are subsequently sub-leased under operating lease agreements remain unchanged on commencement of the sub-lease. At the outset of the sub-lease, the Group determines whether it has transferred substantially all of the risks and rewards of the underlying asset to the sub-lessee, in which case, it is accounted for as a finance lease; or whether it has retained substantially all of the risks and rewards of the underlying asset, in which case, it is accounted for as an operating lease.

Sale and leaseback transactions
The Group enters into sale and leaseback transactions whereby it sells assets to a third party and immediately leases them back. Where sale proceeds received are judged to reflect the asset's fair value and the sale meets the criteria of IFRS 15, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use asset recognised at commencement of the lease. Where a repurchase agreement exists in lease contract which either requires, or gives a right to repurchase the asset during or at the end of the lease term, neither the sale nor the right of use asset or liability is recognised. Instead, a financial liability is recognised for the consideration received, as this represents borrowings. Interest is then recognised in the consolidated income statement using the effective method to amortise the total costs of borrowing over the lease term.

Impairments
(i) Financial assets
The Group recognises a loss allowance for expected credit losses on trade receivables at an amount equal to lifetime expected credit losses, in line with the simplified approach of IFRS 9. For other financial assets, the loss allowance is measured at an amount equal to the 12-month expected credit loss amount, unless there has been a significant increase in that asset's credit risk since initial recognition, in which case an amount equal to the lifetime expected credit loss is recognised.

An impairment in respect of a financial asset is calculated as the difference between its carrying amount and its recoverable amount. The recoverable amount of the Group's receivables which are carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets
The carrying amount of the Group's non-financial assets, other than inventory and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Intangible assets with an indefinite useful economic life such as goodwill are tested for impairment annually. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset or its cash generating unit ('CGU') exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each CGU is typically a company or division of the Group. Non-current assets are allocated to each CGU as appropriate, such as the related brand or owned asset.

Inventories
Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price less the estimated costs incurred until the sale and the estimated variable costs required to sell. All inventories are written down individually where the net realisable value of inventories is lower than their carrying amounts. Spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, which includes the expectation that they will be used for more than one financial period.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises financial assets and liabilities only when the contractual rights and obligations have been transferred, discharged or have expired.

(i) Financial assets
Financial assets are classified at initial recognition as either subsequently measured at amortised cost or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets include interest bearing receivables, cash and cash equivalents, trade receivables and derivative financial instruments but exclude taxes and financial deposits outside the Group's control such as prepayment of services. Financial assets generated from all of the Group's revenue streams are initially measured at their transaction price and are subsequently measured at amortised cost. Cash and cash equivalents comprise cash at bank and in hand. Financial assets and liabilities (including bank overdrafts and cash balances) are reported net where the Group has a legal right of set off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Where cash and cash equivalent balances are not immediately available for use by the Group, for example to meet regulatory requirements, the amount is separately disclosed within cash and cash equivalents providing the definition of cash and cash equivalents is met.

Financial assets at fair value through profit or loss comprise derivative financial instruments and are measured at fair value on initial recognition and subsequent measurement. The realised and unrealised gain or loss on derivatives is included in the consolidated income statement in the financial year in which the gain or loss arises.

Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(ii) Financial liabilities
Financial liabilities are either classified as financial liabilities measured at amortised cost or at fair value through profit and loss. Financial liabilities measured at amortised cost include trade and other payables (excluding tax and social security and deferred income), accruals and finance debt (such as external bank and other loans). Financial liabilities at fair value through profit and loss comprise derivative financial liabilities. Both are presented within current and non-current liabilities in the consolidated balance sheet, according to the period in which they are expected to be settled. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, normally being the transaction price plus, in the case of financial liabilities measured at amortised cost, directly attributable transaction costs. After initial recognition, financial liabilities other than those at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Derecognition
The Group derecognises a financial liability when the contractual obligations to pay the contractual cash flows on the financial liability are discharged, cancelled or expire.

(iii) Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to foreign exchange risk arising from operational and financing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value through profit or loss. The fair value of foreign currency contracts is their forward market price at the balance sheet date, based on external valuations or internal valuations using market data. Derivatives are presented as assets when their fair value is positive and liabilities when the fair value is negative, split between current and non-current depending upon the expiry date of the derivative financial instrument.

(iv) Share capital and share premium account
Ordinary shares are classified as equity. Cash received in excess of the nominal value of the shares issued is recognised as share premium.

Provisions
A provision is recognised in the consolidated balance sheet when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and the outflow of economic benefits can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring provision
A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Related parties
Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or entities.

7. New Standards and interpretations not yet adopted

The following new and amended standards and interpretations that have been endorsed by the UK Endorsement Board (unless otherwise stated) but are not yet effective are as follows:

Further amendment to IFRS 16 'Leases' – COVID-19 related rent concessions
An additional amendment has extended the date of practical expedient from 30 June 2021 to 30 June 2022. This further amendments does not impact the Group since it did not elect to adopt the original practical expedient.

Amendments to IAS 1 and IAS 8 on the classification of liabilities
These amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Potential impacts of the revised definition may include the presentation and disclosure of financial statements and measurement of balances.

Other new amendments and standards
The following standards and amendments that are issued but not yet effective are not currently considered relevant to, or are expected to have a material impact on the Group:

- IFRS 17, 'Insurance Contracts', a comprehensive new financial reporting standard for insurance contracts covering recognition, measurement, presentation and disclosure.
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 in respect of interest rate benchmark reform
- Amendments to to IFRS 3, 'Business combinations' in respect of the definition of a business and to update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
- Amendments to IAS 1, 'Presentation of financial statements' to improve accounting policy disclosures to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- Amendments to IAS 12, 'Deferred tax assets related to assets and liabilities arising from a single transaction' require the recognition of deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

8. Critical accounting estimates and judgements

The preparation of financial statements requires the Directors to make judgements (apart from those involving estimates) that affect the reported results when applying the Group's accounting policies disclosed in Note 6, as well as estimates and assumptions that affects the reported and future amounts of assets, liabilities, income and expenses. Actual results may differ from those reported as a result of applying different judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimates are revised and in any future periods affected.

The Board has reviewed management's selection, development and disclosure of the Group's critical accounting policies, judgements and estimates and their application, which are set out below. These are in addition to those judgements and estimates within the forecast scenarios that are included in the Directors' assessment of going concern as set out in Note 4.

Judgements

Presentation of the CAA Group as a discontinued operation

In January 2021, in agreement with the Senior Lenders and the CAA, the Group completed its disposal of a number of subsidiary companies to Travelopia Adventure Limited, another subsidiary company. The companies sold comprised of the Group's UK tour operators that are regulated by the CAA, including their subsidiary companies, together with the Group's Irish tour operator. In the judgement of the Directors, as this represented a separate line of business and geographical location and that the FY20 revenues in the disposed companies totalled £130.0m (being 26% of the Group's total revenue in that financial year), the sale was of sufficient size, as well as nature, to meet the test for being a discontinued operation. Accordingly, the results for these entities have been accounted for in accordance with IFRS 5 'Non-current assets held for sale and discontinued operations', such that they are presented separately in the statement of comprehensive income. Further information on this disposal is provided in Note 17.

Separately disclosed items

Separately disclosed items are those significant items which in management's judgement are highlighted by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Such items are included within the income statement caption to which they relate. Judgement is required to determine which costs are of an underlying nature as part of running a tour operator and which are not, with those that are not being presented within this cost category. The Group has recognised total separately disclosed costs of £11.3m (2020: £14.2m) in the financial year ended 30 September 2021, of which £5.1m (2020: £8.0m) has arisen as a result of Covid-19. Within this figure, costs relating to cancelled trips amounted to £1.9m (2020: £2.3m). Lost revenues that would have arisen had the trip not been cancelled have not been included within separately disclosed items.

Deferred tax assets

The Group has recognised a deferred tax asset of £18.8m (2020: £7.3m) of which £18.4m relates to other short term timing differences. This balance primarily arises from deferred revenues in the United States, which is expected to be utilised when the trips depart in FY22 and FY23. The Directors are confident that: with the expectation of fewer global travel restrictions and the return of consumer demand, as evidenced by bookings; a history of taxable profits in our U.S. businesses; and an expectation of taxable profits within the foreseeable future; it is more likely than not that these deferred tax assets will be recoverable.

The Group has not recognised £51.6m (2020: £35.0m) of tax losses carried forward. Whilst the Directors are confident of total taxable profits in the future, in view of: the quantum of tax losses carried forward; the jurisdiction to which they relate; and the expected timescale for their utilisation, the Directors consider there to be insufficient certainty over the timing and recoverability to recognise these amounts at the year end.

Lease term (as lessee)

As required by IFRS 16, 'Leases', judgement and estimates have been applied to determine the lease term for those lease contracts that include an extension option, termination (also known as a break) option, or where the lease term rolls on a periodic basis until such time that notice is given on the lease (often known as an "evergreen lease"). The assessment of whether the Group is reasonably certain to exercise an extension or termination option, or give notice on an evergreen lease would materially impact the value of lease liabilities and the respective right of use asset recognised in the balance sheet. It would also impact the depreciation on the right of use asset and interest on the lease liability in the consolidated income statement.

Extension and termination options are included in many of the Group's leased properties, whilst a number of its yacht and boat bases in Europe and around the world are leased under evergreen terms. Management has used a three year forward time frame to assess whether it is reasonably certain that an extension or termination option would be exercised, this being tied to the timeframe of the Group's strategic plan. Within this three year timeframe, extension periods are only included within the lease term if the Group is reasonably certain that it will exercise the extension option. The lease term is only reduced by the break period if the Group is reasonably certain it will exercise the termination option. Where an evergreen lease is expected to continue beyond this three year timeframe, a three year period has been selected as the lease term as this is the period that the lease term can be considered to be reasonably certain, unless there are specific strategic plans expected to occur within this timeframe that would be contrary to this assumption.

Timing of receipt of trade receivables
At 30 September 2021, the Group's merchant card acquirer has withheld £6.5m of the Group's customer receipts to provide a reserve against its contractual liabilities. Timing of this receipt is inherently uncertain since there is no contractual timeframe for the the merchant card acquirer to release these funds to the Group. In view of this uncertainty, given the current economic environment for global travel, the Directors consider it more likely that the funds will be released after a period of more than one year. As such, although they do not consider any expected credit loss to arise, this amount has been presented within non-current trade receivables.

Judgements and estimates
Yacht insurance receivable
The Group continues to repair or replace its fleet of yachts in the BVI following the damage caused by Hurricane Irma in September 2017. The Group is responsible for repairing or replacing the damaged leased fleet yachts and had insurance policies in place over the fleet. Consequently, the Group has recognised a £3.6m liability in relation to the estimate of contractually required costs for repairing damaged leased yachts, but also a £10.8m asset in relation to the insurance recovery in respect of owned and leased yachts that is considered virtually certain.

Throughout the year and up until the date of signing these consolidated financial statements, the Group has borne the cost of repairing these yachts and estimated the amount of the insurance receivable from the Group's fleet insurers, that is considered to be virtually certain. Recent claims history and the Group's experience with its insurers, together with cash received after the balance sheet and up to the date of signing the financial statements provides evidence that the Group's claims are virtually certain. The Group has not recognised any amount that is not considered to be virtually certain.

Carrying value and useful economic lives of brands and other acquisition-related intangible assets
Following the Group's acquisition of the Travelopia Group in 2017, the Group has recognised brands with a carrying value of £25.7m (2020: £38.8m), the material ones being listed in Note 18. Judgements and estimates are required to determine the most appropriate useful economic lives of each brand. In making these, the Executive Leadership Team continue to review and assess the strategy for each branded business, especially in light of decisions made to restructure and reorganise businesses as a result of Covid-19. The Directors are satisfied that the Group's core brands will return to profitability in the medium term and as such, expect that the recoverable value of each core brand to exceed its respective book value. As such, the key estimate in each impairment test is the expected profitability (and hence cash flows) for each of the businesses brands over the three year plan covered by the Budget and Strategic Plan. Whilst there have been no significant changes to the useful economic lives in the current financial year, future changes to the Group's strategy in light of Covid-19 cannot be ruled out. Change to the useful economic life of one or more brands could, either individually or in aggregate, materially impact the carrying value of the brands, together with the annual amortisation and/or impairment charges for that financial year.

Useful economic lives and residual values of marine vessels
The annual depreciation charge for property, plant and equipment is driven by, and sensitive to, both changes in the useful economic lives and residual values of marine vessels (i.e. boats and yachts). Judgement and estimates are required to determine the most appropriate useful economic lives of each type of vessel and estimates are required for determining residual values. Both the useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation, physical condition of the assets and profits/losses experienced over time arising on their disposal.

Impairment of assets as a result of Covid-19
Management has reviewed the recoverable values of all assets as a result of Covid-19, in particular whether the impact of the global pandemic will cause a change in view of the long term use of these assets. Judgement is required to determine whether certain assets will be used and estimates of the expected costs and/or benefits are then required to determine whether an impairment has arisen.

Judgement and estimates are also required to consider whether any impairments (and write offs) have arisen to prepayments made in respect of cancelled flights or refund credit notes from suppliers. In determining these estimates, each of the Group's businesses considers their own level of risk of impairment to its prepayments and takes into account: the nature of the supplier; the timeframe that they have to utilise any refund credit note received from the supplier; the likelihood of the business being able to utilise the credit note against future trips; expected cash refunds to be provided after the balance sheet date; and the likelihood of cash being returned in the future in the event that a refund credit note cannot be used at its expiry date. Impairment losses are recognised where prepayments are not considered to be recoverable.

9. Revenue from contracts with customers

Revenue is analysed as follows:

Type of good or service	**Year ended 30 September 2021 £m**	Year ended 30 September 2020 £m
Sale of holidays	**75.0**	247.0
Sale of yachts and boats	**125.3**	113.2
Sub-lease rental income	**3.1**	-
Total revenue from contracts with customers	**203.4**	360.2

Timing of revenue recognition	**Year ended 30 September 2021 £m**	Year ended 30 September 2020 £m
Over time	**77.1**	243.0
Point in time	**126.3**	117.2
Total revenue from contracts with customers	**203.4**	360.2

Revenue for the financial year is analysed by source and destination as follows:

	Year ended 30 September 2021		Year ended 30 September 2020	
By Geography	**Source £m**	**Destination £m**	Source £m	Destination £m
United Kingdom	**11.3**	**5.5**	19.4	5.6
Europe (excluding the UK)	**64.2**	**71.0**	79.4	95.4
North America (including Canada)	**107.3**	**63.4**	194.4	41.9
Central and South America	**2.7**	**5.1**	11.2	11.5
Caribbean	**3.5**	**40.7**	4.5	72.8
Africa	**3.2**	**7.3**	8.1	18.9
Asia	**4.0**	**2.9**	21.8	19.0
Middle East	**1.5**	**-**	3.4	2.8
Australia, New Zealand and Oceania	**5.7**	**7.5**	19.0	23.4
Arctic and Antarctica	**-**	**-**	-	69.9
	203.4	**203.4**	361.2	361.2
Inter-group revenues	**-**	**-**	(1.0)	(1.0)
Total	**203.4**	**203.4**	360.2	360.2

10. Employees

Average number of employees
The average monthly number of employees in the Group during the financial year by division was as follows:

	Year ended 30 September 2021	Year ended 30 September 2020
Full time	**1,185**	1,615
Part-time	**96**	112
Temporary and seasonal	**178**	121
	1,459	1,848

Full time employees include those furloughed for all or some of the time during the financial year in accordance with national Government job retention schemes.

Employee costs	**Year ended 30 September 2021 £m**	Year ended 30 September 2020 £m
Wages and salaries	**69.2**	86.3
Social security costs	**5.8**	6.3
Pension costs: Defined contribution pension scheme cost	**1.2**	1.5
	76.2	94.1

Wages and salaries are presented net of £0.7m (2020: £1.7m) of government grants for employee cost compensation schemes, such as the UK governments furlough scheme and include £5.3m (2020: £6.9m) of costs which are also presented within Separately disclosed items in Note 13. Employee costs include £0.6m (2020: £4.1m) of cruise staff contractors that have been considered as employees for the purpose of disclosing employee costs.

Key management compensation
The Company has no employees or employee related costs and the Directors of the Company received no emoluments from the Group during the financial year. The following key management figures comprise the remuneration and social security costs of the Group's Executive Leadership Team ('ELT'). The Group considers the ELT members to be those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group.

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Aggregate emoluments	**5.9**	3.6
Other long-term benefits	**2.7**	-
Pensions benefits	**0.1**	0.1
	8.7	3.7

11. Income, expenses and auditors' remuneration

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Included within loss before tax from continuing operations in the consolidated income statement for the financial year are the following charges/(credits):		
Depreciation of property, plant and equipment	**13.9**	16.0
Depreciation of right of use assets	**35.9**	34.9
Amortisation of intangible assets: other intangibles	**5.1**	5.1
Impairment of property plant and equipment	**0.4**	1.0
Impairment of right of use assets	**-**	0.7
Impairment of other intangible assets	**-**	5.0
Depreciation, amortisation and impairment on non-acquisition related assets	**55.3**	62.7
Amortisation of intangible assets: business combination intangibles	**2.1**	2.6
Impairment of acquisition-related intangible assets	**0.2**	1.7
Total depreciation, amortisation and impairment charges in continuing operations	**57.6**	67.0
Gains on disposal of property, plant and equipment and intangibles	**(5.9)**	(6.5)
Losses/(gains) on foreign currency translation, excluding movements on derivatives	**0.1**	(0.1)
Impairment of trade receivables	**0.2**	(0.5)

Services provided by the Company's auditors and its associates

During the financial year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Fees payable to the Company's Auditor for the audit of the Parent Company and consolidated financial statements	**0.1**	0.1
Fees payable to the Company's Auditor and its associates for other services:		
Audit of the Company's subsidiaries pursuant to legislation	**1.0**	0.7
Auditors' remuneration for audit services	**1.1**	0.8
Other services provided to comply with legislation[1]	**0.1**	0.1
Audit and audit related services	**1.2**	0.9

[1] Relates principally to regulatory returns

12. Acquisition and disposal related items

Acquisition and disposal related items comprise the following expenses, which are included within administrative expenses.

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Acquisition and disposal related items in operating loss		
Amortisation of business combination intangibles (Note 11)	**(2.1)**	(2.5)
Impairment of business combination intangibles (Note 11)	**(0.2)**	(1.7)
Employment related deferred consideration	**(1.8)**	(1.9)
Other acquisition-related items	**(0.5)**	*0.1*
	(4.6)	(6.0)

13. Separately disclosed items

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Covid-19 related costs	**5.1**	8.0
Non Covid-19 related restructuring costs	**-**	3.1
Other costs and charges	**6.2**	3.1
	11.3	14.2
Settlement income	**(0.9)**	-
Separately disclosed items	**10.4**	14.2

Covid-19 costs
A further analysis of the Covid-19 related costs incurred is as follows:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Restructuring costs	**3.2**	5.7
Trip cancellation and related costs	**1.9**	2.3
	5.1	8.0

Other separately disclosed costs and charges
Additional analysis of other separately disclosed costs and charges is as follows:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Hurricanes Irma and Dorian related costs	**0.4**	-
TCS aircraft handback related costs	**(0.4)**	0.3
KKR & Co. Inc fees	**0.8**	0.8
Legal & professional fees for the extension of banking facilities	**1.3**	-
Other legal and professional fees	**1.0**	1.3
Charge for cash-settled long term incentive plan	**2.7**	-
Other costs and charges for one off/specific projects	**0.4**	0.7
	6.2	3.1

Fees charged by KKR & Co. Inc of £0.8m (2020: £0.8m) have been included as a Separately disclosed item since these are considered to be a charge based on the Group's ownership structure and not from tour operations.

Separately disclosed items within operating loss are included within the consolidated income statement as follows:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Cost of sales	**2.5**	4.2
Distribution costs	**-**	0.6
Administrative expenses	**8.8**	9.4
Other income	**(0.9)**	-
	10.4	14.2

14. Financial income

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Interest income on loans to related parties	**2.3**	-
Foreign exchange gains on financial items	**1.5**	0.7
Bank interest income	**-**	0.6
Gains on derivative financial instruments	**1.3**	0.5
Other interest income	**-**	0.1
Financial income	**5.1**	1.9

15. Financial expenses

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Bank and other interest payable	**10.6**	6.8
Facility fees and accretion of loan issue costs	**0.6**	0.9
Interest expense on lease liabilities	**8.1**	6.6
Foreign exchange losses on non-derivative financial items	**2.8**	3.4
Interest expense on loans to related parties	**0.3**	1.2
Financial expenses	**22.4**	18.9

16. Taxation

The tax credit for continuing operations can be summarised as follows:

(i) Analysis of credit in the financial year

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Current tax charge/(credit)		
UK corporation tax on profit for the financial year	**1.7**	1.5
Non-UK tax for the financial year	**4.3**	4.7
Adjustment in respect of prior years	**(0.1)**	(3.1)
	5.9	3.1
Deferred tax credit		
Origination and reversal of temporary differences:		
Current year UK	**-**	(2.5)
Current year non-UK	**(8.9)**	(5.0)
Adjustment in respect of prior years	**(1.7)**	(0.5)
	(10.6)	(8.0)
Total income tax credit in the consolidated income statement	**(4.7)**	(4.9)

In addition to the total income tax credit on continuing operations in the consolidated income statement of £4.7m (2020: £4.9m), a tax credit of £0.6m (2020: £2.4m) has also been recognised in respect of discontinued operations (Note 17).

(ii) Reconciliation of effective tax rate
The total tax credit for the financial year for continuing operations is different to the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Loss before tax	**(110.0)**	(113.2)
Loss multiplied by the UK standard rate of tax of 19%	**(20.9)**	(21.5)
Effects of:		
Expenses not deductible for tax purposes	**2.9**	2.0
Income not taxable	**(0.2)**	(0.6)
Foreign earnings taxable in the United States	**2.0**	2.9
Temporary differences not recognised as deferred tax	**12.9**	19.4
Different tax rates on overseas earnings	**0.4**	(3.7)
Effect of changes in tax rates	**-**	(0.1)
Overseas taxes paid	**-**	0.3
Adjustment in respect of prior years	**(1.8)**	(3.6)
Total income tax credit in consolidated income statement	**(4.7)**	(4.9)

(iii) Factors affecting the future tax charge
UK Corporation tax
In May 2021, the UK Government's proposed increase in the main rate of UK corporation tax to 25% from 1 April 2023 was substantively enacted. As a result, UK deferred tax assets and liabilities have been recognised at the new rate.

17. Discontinued operations

Disposal of the CAA ring fenced group
As part of an internal restructure of the Group to simplify the regulatory structure within which the Group operates, the Group disposed of a number of UK and Irish tour operating subsidiaries (the CAA ring fenced group) January 2021. The disposed companies included Exodus Travels Limited from the Adventure division, the UK and Irish tour operating companies within the Tailormade division, the Events division and the remaining UK Education division (following disposal of the North American Education business in 2019). The sale and restructure was of sufficient size and nature to meet the test for being a discontinued operation in accordance with IFRS 5 'Non-current assets held for sale and discontinued operations'. The results of the disposed businesses have thus been accounted for in accordance with IFRS 5, such that they are presented separately in the statement of comprehensive income.

This is the first time that the Company has produced consolidated financial statements. To aid users of the financial statements that previously received the consolidated financial statements of the Company's parent, Travelopia Group Holdings Limited ('TGHL'), a reconciliation is provided between those results for the financial year ended 30 September 2020 and the results that are presented in the comparative financial year in the consolidated income statement of these financial statements.

	TGHL consolidated income statement	TGHL entity income statement	CAA ring fenced group disposed income statement	Eliminations and adjustments	Tim Midco consolidated income statement
	Year ended 30 September 2020 £m	Year ended 30 September 2020 £m	Year ended 30 September 2020 £m	Year ended 30 September 2020 £m	Year ended 30 September 2020 £m
Revenue	490.3	-	130.1	-	360.2
Cost of sales	(424.2)	-	(109.6)	-	(314.6)
Gross profit	66.1	-	20.5	-	45.6
Distribution costs	(68.4)	-	(20.3)	-	(48.1)
Administrative expenses	(126.3)	-	(32.6)	-	(93.7)
Operating loss	(128.6)	-	(32.4)	-	(96.2)
Analysed as:					
Adjusted EBITDA	(36.3)	-	(19.5)	(3.5)	(16.8)
Depreciation, amortisation and impairment on non-acquisition related assets	(65.1)	-	(5.9)	3.5	(59.2)
Acquisition and disposal related items	(7.8)	-	(1.8)	-	(6.0)
Separately disclosed items	(19.4)	-	(5.2)	-	(14.2)
Operating loss	(128.6)	-	(32.4)	-	(96.2)
Financial income	2.0	0.1	1.2	(1.2)	1.9
Financial expenses	(18.5)	-	(0.8)	1.2	(18.9)
Net financial (expenses)/income	(16.5)	0.1	0.4	-	(17.0)
(Loss)/income before tax	(145.1)	0.1	(32.0)	-	(113.2)

A further analysis of the results for the CAA ring fenced group for the period from the start of the financial year up until the date of disposal is as follows:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Revenue	**1.6**	130.1
Cost of sales	**(2.1)**	(109.6)
Gross (loss)/profit	**(0.5)**	20.5
Distribution costs	**(1.4)**	(20.3)
Administrative expenses	**(6.3)**	(32.6)
Other income	**4.3**	-
Operating loss	**(3.9)**	(32.4)
Financial income	**0.1**	1.2
Financial expenses	**(0.7)**	(0.8)
Net financial (expenses)/income	**(0.6)**	0.4
Loss before tax	**(4.5)**	(32.0)
Taxation	**0.6**	2.4
Loss after tax	**(3.9)**	(29.6)
Profit on disposal	**52.6**	-
Profit/(loss) for the financial year for the disposal of the CAA ring fenced group	**48.7**	(29.6)

The profit on disposal of the CAA ring fenced group is calculated as follows:

	£m
Intangible assets	15.2
Property, plant and equipment	15.7
Right of use assets	5.0
Interest bearing receivables	8.7
Inventories	0.3
Current trade and other receivables	13.9
Income tax recoverable	1.8
Cash and cash equivalents	38.3
Interest bearing liabilities	(5.5)
Trade and other payables	(69.1)
Provisions	(3.6)
Net assets disposed	20.7
Consideration - receivable by way of loans	73.3
Less: net assets disposed	(20.7)
Profit on disposal	**52.6**

Discontinued operations in the prior year only

On 4 November 2019, four of the US-based businesses within this division were sold to WorldStrides, a US-based Educational Student Travel Group: the US and Canadian Brightspark businesses, Les Tours Jumpstreet Tours and Travel Turf (known as World Class Vacations). In July 2020, the one remaining North American business within this division, Student City, was sold to its management. In the judgement of the Directors, the division was then of sufficient size and nature to meet the test for being a discontinued operation and the results of the business were accounted for in accordance with IFRS 5 'Non-current assets held for sale and discontinued operations', such that they were presented separately in the statement of comprehensive income. The Consolidated income statement for the financial year ended 30 September 2020 included the following amounts in respect of this division:

	Year ended 30 September 2020
	£m
Revenue	3.6
Cost of sales	(2.3)
Gross profit	1.3
Distribution costs	(1.0)
Administrative expenses	(4.4)
Operating loss and loss before tax	(4.1)
Tax charge	-
Loss after tax	(4.1)
Gross profit on disposal	30.6
Tax on disposal	(1.7)
Net profit on disposal	28.9
Profit for the financial year from disposal of the North American Education division	24.8

Total discontinued operations

The results from both discontinued operations in the financial year was as follows:

	Year ended 30 September 2021	Year ended 30 September 2020
	£m	£m
Loss after tax for CAA ring fenced group	**(3.9)**	(29.6)
Profit on disposal of CAA ring fenced group	**52.6**	-
Loss after tax for North American Education division	-	(4.1)
Profit on disposal of North American Education	-	28.9
Profit/(loss) for the financial year from discontinued operations	**48.7**	(4.8)

Cash flows used in discontinued operations

	Year ended 30 September 2021	Year ended 30 September 2020
	£m	£m
Operating cash flows	**(9.2)**	(64.3)
Investing cash flows	**7.8**	30.8
Financing cash flows	-	(2.9)
Total cash flows	**(1.4)**	(36.4)

18. *Intangible assets*

	Goodwill	*Brands*	*Customer relationships*	*Order book*	*Contracts*	*Computer software*	*Software in development*	*Licences*	*Total*
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost									
At 30 September 2019	9.8	72.2	14.0	0.8	4.4	37.4	9.6	2.0	150.2
Additions	-	-	-	-	-	6.1	6.0	-	12.1
Transfers	-	-	-	-	-	8.1	(8.1)	-	-
Asset reclassifications	-	-	-	-	-	-	1.1	-	1.1
Disposals	-	(5.0)	(5.3)	-	-	(7.0)	(0.8)	-	(18.1)
Foreign exchange	-	(1.1)	(0.2)	-	(0.1)	(0.5)	-	-	(1.9)
At 30 September 2020	9.8	66.1	8.5	0.8	4.3	44.1	7.8	2.0	143.4
Additions	-	-	-	-	-	1.3	4.0	-	5.3
Transfers	-	-	-	-	-	5.9	(5.9)	-	-
Asset reclassifications	-	-	-	-	-	(0.3)	-	-	(0.3)
Disposal of CAA Group	-	(31.6)	(7.2)	-	-	(23.3)	-	(0.8)	(62.9)
Other disposals	-	-	(1.2)	(0.8)	-	(4.3)	(0.1)	(1.2)	(7.6)
Foreign exchange	-	(1.2)	(0.1)	-	(0.1)	(1.0)	-	-	(2.4)
At 30 September 2021	**9.8**	**33.3**	**-**	**-**	**4.2**	**22.4**	**5.8**	**-**	**75.5**
Accumulated amortisation									
At 30 September 2019	-	(24.9)	(9.3)	(0.1)	(0.6)	(21.1)	(0.8)	-	(56.8)
Provided in the financial year	-	(2.1)	(0.6)	(0.4)	(0.3)	(6.0)	-	-	(9.4)
Transfers	-	-	-	-	-	(0.8)	0.8	-	-
Impairment loss	-	(2.5)	-	-	-	(5.0)	-	-	(7.5)
Disposals	-	2.0	2.5	-	-	5.7	-	-	10.2
Foreign exchange	-	0.2	0.1	-	-	0.1	-	-	0.4
At 30 September 2020	-	(27.3)	(7.3)	(0.5)	(0.9)	(27.1)	-	-	(63.1)
Provided in the financial year	-	(1.6)	(0.1)	(0.3)	(0.3)	(5.6)	-	-	(7.9)
Impairment loss	-	-	(0.2)	-	-	-	-	-	(0.2)
Disposal of CAA Group	-	21.0	6.4	-	-	20.3	-	-	47.7
Other disposals	-	-	1.2	0.8	-	4.3	-	-	6.3
Foreign exchange	-	0.3	-	-	-	0.6	-	-	0.9
At 30 September 2021	**-**	**(7.6)**	**-**	**-**	**(1.2)**	**(7.5)**	**-**	**-**	**(16.3)**
Net book value									
At 30 September 2020	9.8	38.8	1.2	0.3	3.4	17.0	7.8	2.0	80.3
At 30 September 2021	**9.8**	**25.7**	**-**	**-**	**3.0**	**14.9**	**5.8**	**-**	**59.2**

Goodwill of £9.8m arose on the acquisition of the Enchanting Travel group. Amortisation of intangible assets of £7.9m (2020: £9.4m) is recognised in the consolidated income statement within administrative expenses.

In accordance with IAS 36, an impairment test has been performed on the recoverability of the goodwill relating to the acquisition of Enchanting Travels. The recoverable amount has been based on a value in use basis, using the Group's formally approved budget and strategic plan, which assumes travel restarting during FY22 and returning to and beyond historic levels of trade during FY23. In the medium, post-pandemic term, Enchanting Travels is expected to undertake expansion in its destination offering to drive profitable growth in this period. Management uses its tour operating experience in estimating revenue and cost growth during this period of expansion to derive future cash flows. The Directors remain confident that the business will achieve the same profitability levels in the medium term that were previously anticipated when the business was acquired. A growth rate of 1% has been used to extrapolate cash flow projections into perpetuity whilst a pre tax discount rate of 20.6% has been used.

Individual intangible assets within the above categories include the following material values of brands:

	Remaining amortisation period Years	**30 September 2021 Brands £m**	30 September 2020 Brands £m
Quark Expeditions	21	**5.8**	6.4
TCS World Travel	21	**6.7**	7.4
Enchanting Travels	13	**3.3**	3.8
The Moorings	16	**3.2**	3.4
Sunsail	16	**2.0**	2.1

The Group comprises of travel companies that trade under the name of their own brand. The Group's revenue generating divisions contain various entities that employ different brands which are used to go to market. In most cases the brands are the same as, or similar to, the trading names of the entities within the specific division and the entities are reliant on their own brand names for their marketing efforts.

As a result of the global pandemic, the carrying value of the intangible assets have been reviewed for impairment as at 30 September 2021. An impairment test has been performed on the recoverability of intangibles where an indicator of an impairment has arisen. The recoverable amount has been based on a value in use basis, using the Group's formally approved FY22 Budget and Strategic Plan, which assumes travel restarting during FY22 and returning to historic levels of trade during FY23 and/or thereafter. Management uses its tour operating experience in estimating revenue and cost growth during this period to derive future cash flows. A growth rate of 1% has been used to extrapolate cash flow projections into perpetuity whilst a pre-tax discount rate of 19% has been used. The businesses own their own software and licences, whilst each brand is allocated to its relevant CGU. The Directors are confident that with a return to profitability in the medium term, the recoverable value of the Group's intangible assets exceed their carrying values.

19. Property, plant and equipment

	Land and buildings £m	Ships, yachts and motor boats £m	Aircraft equipment £m	Computer equipment £m	Other equipment £m	Total £m
Cost						
At 30 September 2019	61.1	150.0	5.7	4.8	22.9	244.5
Additions	0.6	11.9	-	0.3	25.5	38.3
Transfers	0.2	7.1	0.2	0.1	(7.6)	-
Asset reclassifications	-	-	-	-	(1.1)	(1.1)
Disposals	(1.1)	(19.5)	(4.8)	(0.1)	(1.3)	(26.8)
Foreign exchange	(1.8)	(0.3)	(0.4)	-	(0.6)	(3.1)
At 30 September 2020	59.0	149.2	0.7	5.1	37.8	251.8
Additions	0.1	7.9	0.1	-	103.9	112.0
Transfers	-	107.1	9.7	-	(116.8)	-
Disposal of the CAA Group	(15.8)	-	-	(1.6)	(4.7)	(22.1)
Other disposals	(6.1)	(28.1)	(0.3)	(0.5)	(2.6)	(37.6)
Foreign exchange	(2.8)	(1.3)	0.3	(0.1)	(1.7)	(5.6)
At 30 September 2021	**34.4**	**234.8**	**10.5**	**2.9**	**15.9**	**298.5**
Accumulated depreciation						
At 30 September 2019	(12.8)	(19.5)	(3.3)	(2.8)	(3.2)	(41.6)
Provided in the financial year	(2.6)	(11.1)	(1.2)	(1.0)	(1.9)	(17.8)
Impairment	(0.1)	-	(0.9)	0.1	(0.1)	(1.0)
Disposals	0.5	2.7	4.8	(0.1)	0.6	8.5
Foreign exchange	0.5	0.2	0.3	-	0.1	1.1
At 30 September 2020	(14.5)	(27.7)	(0.3)	(3.8)	(4.5)	(50.8)
Provided in the financial year	(2.2)	(9.4)	(0.9)	(0.6)	(0.8)	(13.9)
Impairment	-	-	(0.4)	-	-	(0.4)
Disposal of the CAA Group	2.8	-	-	1.4	2.2	6.4
Other disposals	2.1	9.3	0.3	0.4	1.8	13.9
Foreign exchange	1.5	1.8	-	0.2	-	3.5
At 30 September 2021	**(10.3)**	**(26.0)**	**(1.3)**	**(2.4)**	**(1.3)**	**(41.3)**
Net book value						
At 30 September 2020	44.5	121.5	0.4	1.3	33.3	201.0
At 30 September 2021	**24.1**	**208.8**	**9.2**	**0.5**	**14.6**	**257.2**

Other disclosures

Other equipment includes assets under construction with both a cost and net book value of £13.3m (2020: £28.8m) as at 30 September 2021, which principally comprises of TCS's Buyer Furnished Equipment being fitted into its new planes). During the financial year, additions to assets under construction totalled £103.9m (2020: £24.9m), which consisted primarily of the Ultramarine ship and aircraft equipment. Including related amounts held at the start of the financial year, a total of £116.8m (2020: £5.4m) was transferred on the dates when the Ultramarine and the first aircraft became fully operational at the end of the financial year.

20. Right of use assets and lease liabilities

Carrying amount of right of use asset

	Land and buildings £m	Expedition ships, yachts and motor boats £m	Aircraft and helicopters £m	Motor vehicles £m	Total £m
Cost					
On transition to IFRS 16 at 1 October 2019	27.1	52.4	-	0.2	79.7
Additions during the financial year	3.2	54.2	-	-	57.4
Modification of lease term	(4.3)	14.0	-	-	9.7
Disposals	(0.7)	(1.6)	-	-	(2.3)
Foreign exchange	0.3	0.1	-	-	0.4
At 30 September 2020	25.6	119.1	-	0.2	144.9
Additions during the financial year	2.7	11.0	38.7	0.1	52.5
Modification of lease term	1.2	2.7	-	-	3.9
Disposal of the CAA Group	(8.2)	-	-	(0.1)	(8.3)
Other disposals	(3.5)	(5.5)	-	-	(9.0)
Foreign exchange	(0.7)	(5.2)	(0.1)	0.1	(5.9)
At 30 September 2021	**17.1**	**122.1**	**38.6**	**0.3**	**178.1**
Accumulated depreciation					
On transition to IFRS 16 at 1 October 2019	-	-	-	-	-
Provided in the financial year	(7.7)	(29.7)	-	(0.1)	(37.5)
Impairment	(1.4)	-	-	-	(1.4)
Disposals	0.3	1.3	-	-	1.6
Foreign exchange	-	0.7	-	-	0.7
At 30 September 2020	(8.8)	(27.7)	-	(0.1)	(36.6)
Provided in the financial year	(4.5)	(28.5)	(3.3)	(0.1)	(36.4)
Disposal of the CAA Group	3.3	-	-	-	3.3
Disposals	2.0	5.3	-	-	7.3
Foreign exchange	0.2	0.5	(0.1)	-	0.6
At 30 September 2021	**(7.8)**	**(50.4)**	**(3.4)**	**(0.2)**	**(61.8)**
Net book value					
At 30 September 2020	16.8	91.4	-	0.1	108.3
At 30 September 2021	**9.3**	**71.7**	**35.2**	**0.1**	**116.3**

The Group leases various properties, including office space and boat and yacht bases (both classified within land and buildings), expedition ships, yachts and motor boats, aircraft and helicopters and motor vehicles. The Yachts and Le Boat divisions run similar "Guaranteed Income" schemes whereby yachts and motor boats are sold to private customers and then leased back over a fixed term (usually five to six years) at a fixed monthly amount, in return for access to the customer's respective yacht or motor boat for the majority of the year. These vessels can then be chartered to other customers, providing the Group with flexibility and control over the fleet size.

Analysis of lease liabilities

	Land and *buildings* £m	Expedition ships, yachts and *motor boats* £m	Aircraft and *helicopters* £m	Motor *vehicles* £m	*Total* £m
Lease liabilities					
On transition to IFRS 16 at 1 October 2019	(27.1)	(52.4)	-	(0.2)	(79.7)
Additions during the financial year	(3.3)	(58.1)	-	-	(61.4)
Repayments	8.3	31.4	-	0.1	39.8
Interest charged	(1.4)	(5.5)	-	-	(6.9)
Modification of lease term	4.3	(14.0)	-	-	(9.7)
Disposals	0.4	0.4	-	-	0.8
Foreign exchange	-	(0.3)	-	(0.1)	(0.4)
At 30 September 2020	(18.8)	(98.5)	-	(0.2)	(117.5)
Additions during the financial year	(3.2)	(14.8)	(38.7)	(0.1)	(56.8)
Repayments	5.5	24.1	2.4	0.1	32.1
Interest charged	(0.7)	(6.0)	(1.4)	-	(8.1)
Modification of lease term	(1.2)	2.5	-	-	1.3
Disposal of the CAA Group	5.5	-	-	-	5.5
Other disposals	1.7	0.3	-	-	2.0
Foreign exchange	0.4	4.7	0.3	-	5.4
At 30 September 2021	**(10.8)**	**(87.7)**	**(37.4)**	**(0.2)**	**(136.1)**
At 30 September 2021					
Analysed as:					
Non-current	(7.4)	(67.5)	(32.7)	(0.1)	**(107.7)**
Current	(3.4)	(20.2)	(4.7)	(0.1)	**(28.4)**
	(10.8)	**(87.7)**	**(37.4)**	**(0.2)**	**(136.1)**
At 30 September 2020					
Analysed as:					
Non-current	(12.1)	(74.3)	-	(0.1)	(86.5)
Current	(6.7)	(24.2)	-	(0.1)	(31.0)
	(18.8)	(98.5)	-	(0.2)	(117.5)

An analysis of the number of leased assets that gave rise to right of use assets during the financial year was as follows:

	Land and buildings	Expedition ships, yachts and motor boats	Aircraft and helicopters	Motor vehicles	Total
Number of leases					
At 1 October 2019 on transition to IFRS 16	102	441	-	37	580
Additions during the financial year	11	133	-	3	147
Disposals	(9)	(17)	-	(1)	(27)
At 30 September 2020	104	557	-	39	700
Additions during the financial year	18	89	4	10	121
Disposal of the CAA Group	(14)	-	-	(5)	(19)
Other disposals	(19)	(107)	-	(13)	(139)
At 30 September 2021	**89**	**539**	**4**	**31**	**663**

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

	30 September 2021	30 September 2020
	£m	£m
Less than one year	**(36.1)**	(38.7)
One to two years	**(40.2)**	(36.4)
Two to five years	**(65.5)**	(60.9)
More than five years	**(17.3)**	(10.7)
Total contractual undiscounted lease liabilities	**(159.1)**	(146.7)

Amounts recognised in the consolidated statement of total comprehensive income

Continuing operations	**Year ended 30 September 2021 £m**	Year ended 30 September 2020 £m
Profit on sale and leaseback transactions	**5.9**	5.8
Depreciation of right-of use assets	**35.9**	37.5
Interest expense on lease liabilities (included in finance costs)	**8.1**	6.9
Expenses related to short-term leases (included in cost of sales and administrative expenses)	**0.1**	12.9

The total cost relating to leases of low-value assets and variable lease payments are considered to be immaterial. Since the Group does not generally enter into lease agreements for a period of less than one year, at 30 September 2021, the expected charge for lease commitment for short-term leases in the year ending 30 September 2022 is £nil.

Cash outflows from leases

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Total cash outflows for leases (principal and interest repayments)	**32.1**	39.8

Other information

Rental contracts are typically made for fixed periods of 12 months to 7 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose covenants other than the security interests in leased assets that are held by the lessor. No leased assets have been used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the Group. These are used to provide operational flexibility in terms of managing the assets used in Group operations. The majority of extension and termination options are exercisable only by the Group and not by the respective lessor.

21. Trade and other receivables

	30 September 2021			30 September 2020		
	Current assets £m	**Non-current assets £m**	**Total assets £m**	Current assets £m	Non-current assets £m	Total assets £m
Trade receivables, gross	**3.2**	**6.5**	**9.7**	10.2	-	10.2
Less: allowance for expected credit losses	**(0.7)**	**-**	**(0.7)**	(1.2)	-	(1.2)
	2.5	**6.5**	**9.0**	9.0	-	9.0
Receivables from related parties	**-**	**2.1**	**2.1**	-	2.0	2.0
Other receivables	**18.7**	**6.0**	**24.7**	23.8	4.3	28.1
	21.2	**14.6**	**35.8**	32.8	6.3	39.1
Prepayments and accrued income	**21.8**	**-**	**21.8**	22.7	-	22.7
Total	**43.0**	**14.6**	**57.6**	55.5	6.3	61.8

The maximum exposure to credit risk for trade receivables is analysed by geographic region as follows:

	30 September 2021 £m	30 September 2020 £m
United Kingdom	**3.0**	3.1
United States of America	**5.6**	4.8
Europe excluding United Kingdom	**0.5**	1.8
Rest of the World	**0.6**	0.5
Total	**9.7**	10.2

Trade receivables are disclosed net of the allowance for expected credit losses, an analysis of which is shown below:

	30 September 2021 £m	30 September 2020 £m
Balance at 1 October	**1.2**	1.5
Charged to the consolidated income statement	**0.2**	-
Disposal of the CAA ring fenced group	**(0.7)**	-
Utilised	**-**	(0.3)
Total	**0.7**	1.2

The lifetime expected loss provision for trade receivables at the balance sheet date was:

	30 September 2021			30 September 2020		
	Gross carrying amount £m	**Loss provision £m**	**Net £m**	Gross carrying amount £m	Loss provision £m	Net £m
Current	**9.3**	**(0.6)**	**8.7**	8.8	(0.6)	8.2
Up to 30 days past due	**0.3**	**-**	**0.3**	0.2	-	0.2
Between 31 and 90 days past due	**-**	**-**	**-**	0.3	-	0.3
More than 180 days past due	**0.1**	**(0.1)**	**-**	0.9	(0.6)	0.3
Total	**9.7**	**(0.7)**	**9.0**	10.2	(1.2)	9.0

Credit exposure to individual customers booking expeditions, tours and holidays directly is limited as full payment is required before the issue of tickets and departure. In the case of travel services sold by third party agents, the credit risk depends on the creditworthiness of those third parties, but this risk is also limited because of the relatively short period of credit and the large number of travel agencies used across the Group. Expected credit losses are determined using the age of the receivable and current and previous experience with the counterparty. Trade receivables due after more than one year of £6.5m (2020: £nil) comprise of amounts held by two merchant card acquirers as security over customer monies. This balance is considered to be not yet due and is expected to be fully recoverable, such that no expected credit loss has been recognised.

Receivable from related parties of £2.1m (2020: £2.0m) represents amounts due from Tim Topco Limited, which is the parent of Travelopia Group Holdings Limited, the Company's immediate parent company.

Prepayments include amounts paid in advance to suppliers of flight, accommodation and other services in order to guarantee the provision of those supplies. There is a performance risk in respect of the continued operation of those suppliers during the period over which the supplies are made, the maximum amount of risk being equal to the carrying value.

22. Interest-bearing receivables

	30 September 2021 £m	30 September 2020 £m
Interest-bearing loans to related parties	**61.2**	-
Other	**1.8**	1.4
	63.0	1.4

Interest-bearing loans to related parties
In January 2021, the Group completed an internal restructure to segregate the UK tour operators (and their subsidiary companies) and its Irish tour operator from the rest of the Group in order to simplify the regulatory structure within which the Group operates. To effect the restructure, the companies were disposed of for total consideration of £73.3m, by way of a number of interest-bearing loans payable to the Group. £14.0m of these loans were repaid by Travelopia Group Holdings Limited in the year. Each of these loans owing from companies within the CAA ring fenced group fall due on the disposal of each subsidiary, or earlier, at the option of the borrower, subject to regulatory approval. Further, each loan, together with any accrued interest, also becomes immediately repayable if the borrowing company ceases to be a subsidiary of the Travelopia group of companies. Since neither scenario is expected, these loans have been classified as non-current. Interest accrues on the loan at a rate of 4.5% above the Bank of England's six-month UK LIBOR rate.

23. Retirement benefit asset

Pension schemes
The Group operates pension schemes for employees eligible and wishing to participate in the schemes. These comprise both defined contribution and a defined benefit scheme. Pension obligations vary reflecting the different legal and market conditions in each country of operation. Defined contribution schemes are funded by the payment of contributions to private and state-run organisations, whilst the defined benefit scheme comprises of one funded scheme. Current contributions to the defined contribution schemes are recognised as an expense in the year and, once paid, the Group has no further liability.

Defined benefit pension scheme – Emerald Star
One Group subsidiary, Emerald Star Limited ("Emerald Star"), provides pensions for certain of that Company's permanent current and former employees which are funded through a final salary defined benefit pension scheme (the "Scheme"). The Scheme's assets are held separately from the assets of Emerald Star in separate trustee administered funds. The Scheme was closed to new entrants from 19 August 2002 and its participants are not required to make contributions to the Scheme. Annual contributions are being made by the Company.

Role of the Trustees

The Trustees comprise representatives appointed by Emerald Star. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible in particular for the asset investment policy plus the day-to-day administration of the benefits. They are also responsible for jointly agreeing with the employer the level of contributions.

Funding requirements

The Trustee undertakes actuarial valuations of the Scheme at least every three years. These are conducted by qualified, independent actuaries. The latest actuarial valuation that was fully concluded at the balance sheet date was undertaken as at 1 July 2020. Valuations of the Scheme's assets are made using market-based valuations and the defined benefit obligation is calculated using the Projected Unit Credit Method.

Triennial actuarial valuations are carried out to determine the Company contribution rate required to support and maintain the Scheme in order to adequately fund the Scheme's deficit and provide benefits under the Scheme. The solvency of the Scheme, as determined by the Funding Standard (the statutory minimum funding requirement) is reviewed annually.

Assumptions

Assumptions under IAS 19 (revised) are set using the best estimate with reference to market conditions at the valuation date. The assets of each Scheme have been taken at market value whilst liabilities have been calculated using the following principal financial and demographic assumptions:

Financial assumptions	**30 September 2021 %**	30 September 2020 %
Discount rate	**1.30**	1.00
Pensionable salary increases	**2.00**	2.00
Pension increases	**0.00**	0.00

Demographic assumptions

The mortality assumptions explicitly allow for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining age 65 in 2021 and 2041.

Life expectancy	**30 September 2021 Years**	30 September 2020 Years
Males		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	**21.8**	21.7
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	**24.1**	24.0
Females		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	**24.2**	24.1
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	**26.2**	26.1

Sensitivity analysis

The sensitivity of the Scheme's liabilities to the above key financial and demographic assumptions is illustrated below:

	30 September 2021 £m	30 September 2020 £m
Discount rate		
Decrease in obligation due to increasing discount rate by 0.5%	**(0.3)**	(0.3)
Increase in obligation due to decreasing discount rate by 0.5%	**0.3**	0.3
Pensionable salary inflation		
Increase in obligation due to increasing pensionable salary inflation by 0.5%	**0.1**	0.1
Decrease in obligation due to decreasing pensionable salary inflation by 0.5%	**(0.1)**	(0.1)
Demographic assumptions		
Mortality rate		
Increase in obligation due to increasing life expectancy by 1 year	**0.1**	0.1

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the financial period and may not be representative of the actual change. It is based on the key assumptions while holding all other assumptions constant.

Composition of members

The valuations are based on participant data at each financial year end. The following table summarises the number of members in the Scheme:

	30 September 2021 (number)	30 September 2020 (number)
Active members	**6**	6
Pensioners	**14**	14
Deferred pensioners	**27**	27
Total	**47**	47

Analysis of present value of defined benefit obligations

	30 September 2021 £m	30 September 2020 £m
Active members	**1.2**	1.3
Deferred members	**0.8**	0.9
Pensioners	**0.9**	0.9
Total	**2.9**	3.1

Duration

The weighted average duration of the defined benefit obligation is 19 years (2020: 20 years).

Maturity analysis of expected benefit payments

Expected benefit payments based on past and future service for current membership and falling due within the following timescales are as follows:

	30 September 2021 £m	30 September 2020 £m
Within two years	**0.1**	0.1
Within two to five years	**0.2**	0.2
Between five and ten years	**0.5**	0.4
Total	**0.8**	0.7

Risks

The Scheme exposes Emerald Star to a number of financial risks (asset risk, interest rate risk and inflation risk) and demographic risk (mortality risk).

Asset risk

69% (2020: 66%) of the Scheme's assets are invested in equity and absolute return funds which are expected to outperform bonds in the long term, but are likely to increase the volatility of the balance sheet and risk of deficit in the short term. Investing in these asset classes also creates concentration and liquidity risk. Concentration risk is the risk that the performance of a single investment class might negatively impact on the Trustees' ability to meet their objectives. Liquidity risk is the risk of a shortfall in cash relative to the short-term liabilities.

Interest rate risk

The Scheme is subject to interest rate risk, where a decrease in corporate bond yields would increase the value placed on the defined benefit obligation for accounting purposes, resulting in an increased deficit. However, this is partially mitigated by investing 25% (2020: 30%) of the Scheme's assets in government bonds as at 30 September 2021.

Inflation rate risk

A significant proportion of the Scheme's defined benefit obligation is indexed in line with price inflation, specifically inflation in salaries and deferred pensions. This is a risk to the Scheme particularly in relation to the active and deferred category of membership, making up 69% (2020: 70%) of the total liabilities. Inflation rate risk is partially mitigated by the investment of approximately 69% (2020: 66%) of the Scheme's assets in growth assets expected to grow in the long term such as equities.

Mortality risk

The majority of the Schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liability, as shown in the sensitivity table above.

Key accounting results

Emerald Star's net defined benefit asset/(obligation) is recognised in the balance sheet as follows:

	30 September 2021	30 September 2020
	£m	£m
Present value of defined benefit obligations	**(2.9)**	(3.1)
Fair value of plan assets	**3.3**	3.0
Net asset/(obligation) recognised in the balance sheet	**0.4**	(0.1)

A reconciliation of the Company's net defined benefit asset/(obligation), analysed between the defined benefit obligation and plan assets is as follows:

	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit asset**
	£m	**£m**	**£m**
At 30 September 2019	(3.1)	2.9	(0.2)
Actuarial gains arising from changes in financial liability assumptions	-	0.1	0.1
At 30 September 2020	(3.1)	3.0	(0.1)
Actuarial gains arising from changes in financial liability assumptions	0.1	-	0.1
Return on plan assets greater than interest income	-	0.3	0.3
Interest cost and benefit payments	0.1	-	0.1
At 30 September 2021	**(2.9)**	**3.3**	**0.4**

Assets
The fair value of the Scheme's assets at 30 September 2021 was as follows:

	30 September 2021 £m	30 September 2020 £m
Equities	**1.8**	1.5
Government bonds	**0.8**	0.9
Absolute return funds	**0.5**	0.5
Other	**0.2**	0.1
Total	**3.3**	3.0

All of the Scheme's assets were valued using a quoted market price in an active market. The Scheme's assets do not include any ordinary shares issued by Emerald Star, nor any property occupied by, or other assets used by that company or the Group.

24. Deferred tax assets and liabilities

	30 September 2021		
	Assets £m	**Liabilities £m**	**Net £m**
Acquisition related intangible assets	**-**	**(6.5)**	**(6.5)**
Other intangible assets, property, plant and equipment and right of use assets	**8.4**	**(7.6)**	**0.8**
Financial instruments	**0.9**	**-**	**0.9**
Other short-term temporary differences	**18.5**	**(0.1)**	**18.4**
Tax value of losses carried forward	**5.2**	**-**	**5.2**
Total	**33.0**	**(14.2)**	**18.8**
Set off of deferred tax within the same jurisdiction	**(4.2)**	**4.2**	**-**
Net deferred tax assets	**28.8**	**(10.0)**	**18.8**

	30 September 2020		
	Assets £m	Liabilities £m	Net £m
Acquisition related intangible assets	4.8	(12.4)	(7.6)
Other intangible assets, property, plant and equipment and right of use assets	3.7	(5.6)	(1.9)
Financial instruments	1.5	(0.1)	1.4
Other short-term temporary differences	13.7	(1.2)	12.5
Tax value of losses carried forward	3.0	(0.1)	2.9
Total	26.7	(19.4)	7.3
Set off of deferred tax within the same jurisdiction	(8.7)	8.7	-
Net deferred tax assets	18.0	(10.7)	7.3

Deferred tax assets totalling £18.8m (2020: £7.3m) have been recognised, of which £18.4m (2020: £12.5m) relates to other short term timing differences. This balance primarily arises from deferred revenues in the United States, which is expected to be utilised when the trips depart in FY22 and FY23. The Directors are confident that: with the expectation of fewer global travel restrictions and the return of consumer demand, as evidenced by bookings; a history of taxable profits in our U.S. businesses; and an expectation of taxable profits within the foreseeable future; it is more likely than not that these deferred tax assets will be recoverable.

Acquisition related intangible assets relate to temporary differences in respect of assets and liabilities recognised on the acquisition of the Travelopia Group. Temporary differences on property, plant and equipment and right of use assets principally relate to tax depreciation being different to accounting depreciation in the UK and the US. Financial instruments arise in respect of financial instruments accounted for under IFRS 9 and principally reflect the fair value at 30 September 2021 of derivatives that will be settled against future transactions. Other short-term temporary differences principally relate to operating expenses and related accruals and provisions for which a tax deduction has yet to be recognised. The Group has recognised deferred tax assets relating to tax losses in individual tax jurisdictions to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Movements in deferred taxation during the current financial year are analysed as follows:

	30 September 2020 £m	Credited / (charged) to the consolidated income statement – discontinued operations £m	Credited / (charged) to the consolidated income statement – continuing operations £m	Foreign exchange £m	30 September 2021 £m
Acquisition related intangible assets	(7.6)	2.1	(1.2)	0.2	**(6.5)**
Other intangible assets, property, plant and equipment and right of use assets	(1.9)	1.5	1.2	-	**0.8**
Financial instruments	1.4	-	(0.5)	-	**0.9**
Other short term temporary differences	12.5	(0.1)	6.5	(0.5)	**18.4**
Tax value of losses carried forward	2.9	(2.1)	4.6	(0.2)	**5.2**
Total	7.3	1.4	10.6	(0.5)	**18.8**

	30 September 2019 £m	Disposal of discontinued operations £m	Credited/ (charged) to the consolidated income statement £m	Foreign exchange £m	30 September 2020 £m
Acquisition related intangible assets	(6.5)	0.1	(0.9)	(0.3)	(7.6)
Other intangible assets and property, plant and equipment	(3.3)	-	1.5	(0.1)	(1.9)
Financial instruments	1.5	-	(0.1)	-	1.4
Other short term temporary differences	6.7	(0.1)	6.2	(0.3)	12.5
Tax value of losses carried forward	1.7	-	1.3	(0.1)	2.9
Total	0.1	-	8.0	(0.8)	7.3

Unrecognised deferred tax assets

Deferred tax assets totalling £51.6m (2020: £35.0m) arising from tax losses carried forward have not been recognised as the Directors are not sufficiently certain of the extent and timing of their utilisation in the future.

25. Inventories

	30 September 2021 £m	30 September 2020 £m
Marine inventories	**28.7**	38.7
Other operating inventories	**1.5**	1.9
Total	**30.2**	40.6

Marine inventories include new and used yachts and boats that are held as trading stock, together with all related consumables.

26. Cash and cash equivalents

	30 September 2021 £m	30 September 2020 £m
Cash at bank - unrestricted	**62.8**	131.5
Cash at bank - other restricted	**56.9**	15.9
Cash in hand	**0.2**	0.2
Cash and cash equivalents	**119.9**	147.6

Cash at bank of £56.9m (2020: £15.9m) is restricted due to travel regulatory requirements, primarily due to US travel regulations for flights, whereby customer deposits are held in a separate escrow account, which can only be used within certain periods prior to departure date for the purposes of paying direct costs of the trip and then returned to the company after the trip's return date.

27. Assets classified as held for sale

	30 September 2021 £m	30 September 2020 £m
Property	**0.3**	0.3
Assets classified as held for sale	**0.3**	0.3

28. Interest-bearing loans and borrowings

	30 September 2021		
	Current liabilities £m	**Non-current liabilities £m**	**Total £m**
Secured bank loans	**0.7**	**176.7**	**177.4**
Unsecured bank loan	**0.1**	**-**	**0.1**
Asset-related loans	**10.8**	**87.3**	**98.1**
Other financial liabilities	**0.3**	**7.7**	**8.0**
Total	**11.9**	**271.7**	**283.6**

	30 September 2020		
	Current liabilities £m	Non-current liabilities £m	Total £m
Secured bank loans	0.7	176.2	176.9
Unsecured bank loan	0.1	0.1	0.2
Other financial liabilities	1.8	7.5	9.3
Total	2.6	183.8	186.4

Secured bank loans
The Group has a Senior Facilities Agreement with a syndicate of banks for a term loan facility of £100.0m (2020: £100.0m) with an original maturity date of 15 June 2024 together with a revolving credit facility of £80.0m (2020: £80.0m) with an original maturity date of 15 June 2023, of which £78.0m (2020: £78.0m) can be drawn in cash and £2.0m as a letter of credit facility. On 29 September 2021, the Company entered into an Amendment and Restatement Agreement which extended the term facility until 15 December 2025 and the revolving credit facility to 15 September 2025, whilst extending the bank covenant testing holiday in respect of the Net Debt to Adjusted EBITDA test for a further two year period. The next test of this financial covenant is 30 September 2023.

The £100.0m term loan was fully drawn down on 15 June 2017, raising £96.6m net of expenses, which are being accreted to the consolidated income statement over the loan's term. The £100.0m term loan facility has been fully drawn throughout both financial years and is secured by a fixed and floating charge over certain assets of the Group as explained below and bears interest at LIBOR (and with effect from the year end, SONIA) plus a fixed margin of 4.5% (2020: variable margin between 3.75% and 4.50%). The lenders under the Group's Senior Facilities Agreement have the benefit of certain fixed and floating security agreements granted by a number of members of the Group over certain assets of the Group (but, for the avoidance of doubt, no security has been granted in favour of these lenders by, or over the shares in or assets of, any member of the Group that is within the "ring fence" arrangement with the UK Civil Aviation Authority).

The interest rate applicable for the revolving credit facility is at LIBOR (and with effect from the year end, SONIA) plus a fixed margin of 4.0% (2020: variable margin between 3.25% and 4.0%).

Of the £2.0m additional facility for letters of credit, £1.7m (2020: £1.0m) has been drawn at 30 September 2021. The total undrawn committed banking facilities of the Group at 30 September 2021 was therefore £0.3m (2020: £1.0m), which is by way of letters of credit.

Asset-related loans
During the year, the Group entered into financing agreements to secure new funding against its yachts and boats. Additionally, new external financing was used to purchase the Ultramarine polar expedition ship.

Upon acquisition of the Ultramarine polar expedition ship from the constructing shipyard on 1 April 2021, Vinson Expeditions LLC entered into a sale and leaseback arrangement with a third party, which provided US$121.4m (£88.1m) of financing, before financing costs. The lease arrangement contains a purchase option after three years together with a purchase obligation on the tenth anniversary. Accordingly, this financing is accounted for as a financial liability, in accordance with IFRS 9. The total principal amount owing at 30 September 2021 was £80.2m. The loan is then presented within asset-related loans, net of financing costs of £2.5m.

To provide additional long term funding against the Group's boat fleet, Porter & Haylett Limited entered into an agreement with a French financing company, on 30 April 2021 to sell 301 of its owned boats for €16.9m (£14.7m). A fellow Group subsidiary undertaking, Crown Blue Line France SAS has then leased them back for a seven year period, after which Porter & Haylett Limited will, subject to the satisfaction in full of Conditions Precedent, re-acquire ownership of the boats for a pre-determined fee. This financial is also accounted for as a financial liability in accordance with IFRS 9.

To provide short term funding for purchasing yachts, on 22 March 2021, Mariner International Travel, Inc entered into a five year agreement with a third party, to provide loan financing of up to $15.0m (£11.1m). Each loan under the facility agreement is drawn at the time of purchasing each yacht and is repayable within nine days of each sale. The total amount owing at 30 September 2021 was £7.3m and is classified as a current liability. The loan is secured against the purchased yacht.

Other financial liabilities
Other financial liabilities represents buy back liabilities arising from a yacht purchase financing scheme.

29. Trade and other payables

	30 September 2021		
	Current liabilities	**Non-current liabilities**	**Total**
	£m	**£m**	**£m**
Trade payables	**12.2**	**-**	**12.2**
Other payables	**6.2**	**-**	**6.2**
Other taxes and social security costs	**5.0**	**-**	**5.0**
Accruals and deferred income	**35.8**	**8.3**	**44.1**
Client money received in advance	**192.3**	**33.5**	**225.8**
Total	**251.5**	**41.8**	**293.3**

	30 September 2020		
	Current liabilities	Non-current liabilities	Total
	£m	£m	£m
Trade payables	21.8	-	21.8
Other payables	9.3	-	9.3
Other taxes and social security costs	5.8	-	5.8
Accruals and deferred income	39.5	6.0	45.5
Client money received in advance	183.1	0.5	183.6
Total	259.5	6.5	266.0

30. Financial instruments

Treasury risk overview
The Group is exposed to a variety of financial risks:

- Market risk (in respect of foreign currency exchange risk, fuel price risk and interest rate risk);
- Liquidity risk (in respect of the Group's ability to meet its liabilities);
- Credit risk (in respect of recovery of amounts owing to the Group); and
- Capital risk (in respect of its capital structure and cost of capital).

The Group's key financial market risks are in relation to foreign currency rates, oil fuel prices and interest rate risk. Currency risk results from the substantial cross-border element of the Group's trading and arises on sales and purchases, asset purchases and borrowings that are denominated in a currency other than the functional currency of individual Group businesses. Some of this risk is managed by the use of foreign exchange forward contracts. The Group's exposure to oil fuel prices resulting from cruising operations is managed using forward commodity contracts. The Group is exposed to interest rate risk that arises principally from the Group's floating rate bank loan.

The Executive Leadership Team and Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and for ensuring that the Group has adequate policies, procedures and controls to successfully manage the financial risks that it faces. Transactions are only undertaken to hedge underlying exposures. Financial instruments are not traded, nor are speculative positions taken.

Currency risk management
The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of individual Group businesses (which are principally Sterling, US Dollar and the Euro). The two currencies that are considered to have a potentially significant impact on the profitability of the Group are the US Dollar and the Euro. These two exchange rates were used to translate to presentation currency (excluding the impact of hedged transactions) and are illustrative of the rates applied during the current financial periods:

	Year ended 30 September 2021		Year ended 30 September 2020	
£1 GBP equivalent	**Average rate**	**Closing rate**	Average rate	Closing rate
US Dollar	**1.3694**	**1.3473**	1.2755	1.2918
Euro	**1.1487**	**1.1632**	1.1392	1.1022

Each individual Group business hedges its foreign currency exposures arising from tour operating, based upon each business's specific forecasts. At any point in time, the Group's businesses will have hedged the majority of its foreign currency exposure (forecast sales and/or purchases and related asset purchases and/or liabilities) for the coming months of trading, predominantly using forward exchange contracts, most of which have a maturity of less than one year from the reporting date. The Group has elected not to use hedge accounting through reserves such that the fair value movements are recognised in the consolidated income statement.

In addition to exchange rate risk arising from derivative financial instruments, the Group's result in the consolidated income statement is exposed to exchange risk to the US Dollar and the Euro primarily as a result of intra-group loans that are denominated in a currency other than that of the functional currency of the company that has the loans. The majority of the balance for these loans are structural in their nature and arose on the acquisition of the Travelopia Group in 2017. These loans are considered long term in their nature and as such, management accepts that there may be short term volatility in the value of these loans from year to year. Consequently, these loans are not hedged.

As at 30 September 2021, the Group's net exposure to foreign exchange risk was as follows:

	30 September 2021		30 September 2020	
Net foreign currency financial assets/(liabilities)	**US$m**	**EURm**	US$m	EURm
Cash, intra-group loans and trading balances	**14.4**	**(29.2)**	71.2	(36.8)
Derivative financial instruments	**0.6**	**-**	3.0	121.5
Total	**15.0**	**(29.2)**	74.2	84.7

The Group presents its consolidated financial statements in Sterling and, as a result, is also subject to foreign currency exchange translation risk in respect of the translation of the results and underlying net assets of its foreign operations into Sterling. The Group does not hedge against this risk since any gains and losses are recorded directly in equity.

Sensitivity analysis

This sensitivity analysis is for illustrative purposes only and should not be considered a projection of likely future events and gains or losses.

The Group has used a sensitivity analysis technique that measures the estimated change to the consolidated income statement and equity of a 1% (100 basis points) difference in market interest rates or a 10% strengthening or weakening in Sterling against other currencies, from the rates applicable at the balance sheet date, with all other variables remaining constant, these being considered to be reasonably possible changes to interest rates and Sterling rates. This sensitivity analysis assumes:

- changes in market interest rates only affect interest income or expense of variable financial instruments; and
- changes in the fair value of derivative financial instruments (estimated by discounting the future cash flows to net present values) use appropriate market rates prevailing at the year end.

The table below demonstrates the sensitivity to a reasonably possible change of 10% in these two exchange rate rates on the carrying value of financial assets and liabilities.

	30 September 2021		30 September 2020	
	Reduction / (increase) in loss before tax	**Increase / (reduction) in equity**	Reduction / (increase) in loss before tax	Increase / (reduction) in equity
Impact of a 10% change	**£m**	**£m**	£m	£m
Strengthening of the US Dollar	**1.1**	**1.1**	5.9	5.9
Weakening of the US Dollar	**(1.0)**	**(1.0)**	(5.4)	(5.4)
Strengthening of the Euro	**(2.5)**	**(2.5)**	8.7	8.7
Weakening of the Euro	**2.3**	**2.3**	(7.3)	(7.3)

Commodity risk

Fuel commodity risk arises from the Group's operation of polar expedition ships. As at 30 September 2021, the Group has hedged transactions for fuel of 2,353 (2020: 14,900) metric tonnes.

Sensitivity analysis is based on a 10% increase or decrease in fuel prices and the sensitivity will differ correspondingly if the fuel markets are more or less volatile. Under these assumptions, with a 10% increase or decrease in the unit price of fuel, profit before tax would neither materially increase nor decrease.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including cash and cash equivalents) and derivative financial instruments, as well as credit exposures to customers, including outstanding receivables, financial guarantees and committed transactions. Credit risk is managed separately for treasury and operating related credit exposures. Other than amounts that are being held with the merchant card acquirers and which are disclosed in trade receivables falling due after more than one year, there is no material concentration of credit risk with respect to current trade and other receivables as the Group has a large number of internationally dispersed customers. Credit risk in respect of cash and cash equivalents is managed by only having material cash balances with highly reputable global banks.

The maximum credit exposure to the carrying amount of financial assets at the balance sheet date is shown in the table below.

	Carrying value 30 September 2021 £m	Carrying value 30 September 2020 £m
Interest-bearing receivables	**63.0**	1.4
Trade receivables	**9.0**	9.0
Receivables from related parties	**2.1**	2.0
Other receivables	**22.4**	25.7
Cash and cash equivalents	**119.9**	161.9
Derivatives - contracts used for hedging	**0.1**	0.7
Total	**216.5**	200.7

The maximum exposure to credit risk for trade receivables at the balance sheet date and by geographic region as well as their ageing is disclosed in Note 21. Trade and other receivables are shown net of provision for bad and doubtful debts of £0.7m (2020: £1.2m).

Trade and other receivables exclude prepaid accommodation, other prepayments and sales taxes which do not meet the definition of a financial instrument. Prepayments for both flights and hotel accommodation, whilst not meeting the definition of a financial asset under IFRS 9, give rise to a risk similar to credit risk due to the inherent risk of the Group not recovering the prepayment through full delivery of the related goods and services. From time to time, the Group's prepayments may concentrate towards specific counterparties or geographical locations. The carrying amount of prepayments (which are presented within current assets) forms their maximum credit exposure. The credit risk of other receivables disclosed above include accrued revenue, insurance and rebate receivables.

A further analysis of cash balances is provided in Note 26.

Interest rate risk

Details of the Group's financial liabilities are disclosed in Note 28.

The Group's interest and non-interest bearing loans, asset-related and other financial liabilities, other than trade and other payables, are measured at amortised cost and are analysed as follows:

Financial instrument	**Currency**	**Nominal interest rate**	**Maturity**	**Carrying amount 30 September 2021 £m**	Carrying amount 30 September 2020 £m
Term loan	Sterling	SONIA + 4.5%^	2025	**99.4**	98.9
Revolving credit facility loan	Sterling	SONIA + 4.0%	2025	**78.0**	78.0
Ultramarine loan	USD	US LIBOR 3m + 4.2%	2031	**77.7**	-
Yachts-related loan	USD	US LIBOR 1yr + 2.9% - US LIBOR 1 yr + 6.15%*	2026	**7.7**	-
Boats-related loan	EUR	6.142%**	2028	**12.7**	-
Unsecured bank loan	EUR	2.5%	2024	**0.1**	0.2
Other (non-lease) financial liabilities	EUR, GBP and USD	0%	2021 – 2028	**8.0**	9.3
Total interest-bearing liabilities				**283.6**	186.4
Analysed between:					
Zero rate liabilities				**8.0**	9.3
Fixed rate liabilities**				**12.7**	-
Variable rate liabilities				**262.9**	177.1
				283.6	186.4

^ Additional PIK interest at 0.5% is applicable until September 2023.
* The lower rate is applicable on each advance for the first 90 days of each loan, thereafter reverting to the higher rate.
**Effective interest rate disclosed since this is a sale and leaseback arrangement. As such, interest rate is considered fixed.

Other financial liabilities primarily represents amounts received from individuals as part of an option to purchase yachts scheme that are repayable in the event that those individuals choose not to exercise an option to purchase a yacht in the future. No interest is payable on these amounts.

Interest rate risk sensitivity
A 100 basis points increase in interest rates would result in a £2.9m (2020: £1.3m) increase in interest expense (and hence increase in loss before tax) in the consolidated income statement and equity. A 100 basis points reduction in interest rates is not considered reasonably possible in view of the current global economic environment.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. The Group operates zero balancing cash pools with HSBC Bank plc for its UK Group companies and Bank of America Corporation for its US Group companies. These pooling arrangements provide the individual businesses with the flexibility over their cash balances, whilst the Group Treasury team ensures that each pool total remains in credit each day in accordance with the pooling requirements.

Looking into the foreseeable future, the Group's liquidity is expected to peak between July and September and have a low between February and March 2022. Additional funding was provided by the Group's owners, KKR & Co. Inc, shortly after the financial year end, details of which are in Note 38.

Cash positions, liquidity and available facility headroom are monitored on a weekly basis by Group management. The Group has a £2.0m (2020: £2.0m) facility that is designated for letters of credit, of which £1.7m (2020: £1.0m) is utilised at 30 September 2021. At 30 September 2021, the Group had total available undrawn committed borrowing facilities of £0.3m (2020: £1.0m) comprising the unutilised letters of credit facility.

The Group has a liquidity covenant on the secured bank loan. Up until 31 March 2020, the Group was required to meet a quarterly net debt to Adjusted EBITDA covenant, whereby net debt is no greater than 3.75 times annual Adjusted EBITDA. For this test, the relevant figures for net debt and Adjusted EBITDA are defined within the Senior Facilities Agreement. Any non-compliance with the bank covenant underlying the Group's financing arrangements could, if not waived, constitute an event of default.

As a result of the losses incurred due to the global pandemic, the Group's Lending Banks initially agreed to a covenant holiday for four financial quarters, from 30 June 2020 to 31 March 2021. In doing so, a new monthly liquidity covenant was agreed, which was that the Group would have a minimum level of cash in the Group. This covenant has been complied with for the remainder of the financial year and subsequently. In June 2021, the Directors agreed a further one quarter extension to the net debt to Adjusted EBITDA covenant such that the next test was due to be 30 September 2021. On 28 September 2021, the Banks agreed to a further two year extension of the covenant testing, with the next covenant test being on adjusted terms on 30 September 2023.

The following are the undiscounted contractual cash flows of financial liabilities, including interest payments calculated using interest rates in force at each balance sheet date:

			Contractual cash flows analysed as payable:			
30 September 2021	**Carrying amount £m**	**Total contractual cash flows £m**	**No later than 1 year £m**	**Later than 1 year and no later than 2 years £m**	**Later than 2 years and no later than 5 years £m**	**Later than 5 years £m**
Secured bank loans	**177.4**	**215.5**	**7.8**	**9.6**	**198.1**	**-**
Unsecured bank loan	**0.1**	**0.1**	**0.1**	**-**	**-**	**-**
Asset-related financial liabilities	**98.1**	**129.9**	**14.1**	**8.5**	**32.2**	**75.1**
Other financial liabilities	**8.0**	**8.1**	**0.3**	**2.4**	**4.4**	**1.0**
Trade and other payables	**56.9**	**56.9**	**52.1**	**2.1**	**2.7**	**-**
Total	**340.5**	**410.5**	**74.4**	**22.6**	**237.4**	**76.1**

			Contractual cash flows analysed as payable:			
30 September 2020	Carrying *amount* £m	Total *contractual cash flows* £m	No later than *1 year* £m	*Later than* 1 year and no later than *2 years* £m	Later than 2 years and no later than 5 *years* £m	Later than 5 years £m
Secured bank loans	176.9	215.3	7.8	8.7	198.8	-
Unsecured bank loan	0.2	0.2	0.1	0.1	-	-
Other financial liabilities	9.3	9.3	1.8	1.0	5.1	1.4
Trade and other payables	69.2	69.2	67.8	-	1.4	-
Derivative financial liabilities	7.5	7.5	7.2	0.3	-	-
Total	263.1	301.5	84.7	10.1	205.3	1.4

The timing reflected in the tables above is based on the first date that the Group can be contractually required to settle each liability. Whilst the Ultramarine loan can be settled at the option of the Group after three years, the presentation above assumes that the loan is settled when the Group has the obligation to repay it on the tenth anniversary of the loan. Customer deposits are excluded from this analysis as these would only be paid back to the customer in the event of trip cancellation. Trade and other payables include only those payables that classify as financial liabilities. Total bullet payments in respect of debts falling due after more than five years amount to £41.6m (2020: £nil).

Analysis of total financial assets and financial liabilities

The tables below set out the Group's classification for each of its financial assets and liabilities.

At 30 September 2021	Financial assets / (liabilities) at fair value through profit and loss £m	Financial assets at amortised cost £m	Financial liabilities at amortised cost £m	Total carrying value £m
Assets				
Current:				
Trade and other receivables	-	31.4	-	31.4
Receivables from related parties	-	2.1	-	2.1
Derivative assets	0.1	-	-	0.1
Cash and cash equivalents	-	119.9	-	119.9
Non-current:				
Interest-bearing receivables	-	63.0	-	63.0
Receivables from related parties	-	2.1	-	2.1
	0.1	218.5	-	218.6
Liabilities				
Current:				
Borrowings due within one year	-	-	(11.6)	(11.6)
Derivative liabilities	-	-	-	-
Other financial liabilities	-	-	(0.3)	(0.3)
Trade and other payables	-	-	(52.1)	(52.1)
Non-current:				
Borrowings due after more than one year	-	-	(264.0)	(264.0)
Other financial liabilities	-	-	(7.7)	(7.7)
Trade and other payables	-	-	(4.8)	(4.8)
	-	-	(340.5)	(340.5)

At 30 September 2020	Financial assets / (liabilities) at fair value through profit and loss £m	Financial assets at amortised cost £m	Financial liabilities at amortised cost £m	Total carrying value £m
Assets				
Current:				
Trade and other receivables	-	34.7	-	34.7
Receivables from related parties	-	2.0	-	2.0
Derivative assets	0.7	-	-	0.7
Cash and cash equivalents	-	161.9	-	161.9
Non-current:				
Interest-bearing receivables	-	1.4	-	1.4
Receivables from related parties	-	2.0	-	2.0
	0.7	202.0	-	202.7
Liabilities				
Current:				
Borrowings due within one year	-	-	(0.8)	(0.8)
Derivative liabilities	(7.2)	-	-	(7.2)
Other financial liabilities	-	-	(1.8)	(1.8)
Trade and other payables	-	-	(67.8)	(67.8)
Non-current:				
Borrowings due after more than one year	-	-	(176.3)	(176.3)
Derivative liabilities	(0.3)	-	-	(0.3)
Other financial liabilities	-	-	(7.5)	(7.5)
Trade and other payables	-	-	(1.4)	(1.4)
	(7.5)	-	(255.6)	(263.1)

The tables above excludes an analysis of lease liabilities, which is provided in Note 20.

Fair values of financial assets and financial liabilities
The fair values of financial assets and liabilities, together with carrying amounts shown in the consolidated balance sheet at 30 September 2021 are as follows:

	30 September 2021		30 September 2020	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Financial assets other than derivatives:				
Interest-bearing receivables	**63.0**	**63.0**	1.4	1.4
Cash and cash equivalents	**119.9**	**119.9**	161.9	161.9
Trade and other receivables	**31.4**	**31.4**	34.7	34.7
Receivables from related parties	**2.1**	**2.1**	2.0	2.0
Financial liabilities other than derivatives:				
Secured bank loan	**(177.4)**	**(178.0)**	(176.9)	(178.0)
Asset-related financial liabilities	**(98.1)**	**(98.1)**	-	-
Other financial liabilities	**(8.0)**	**(8.0)**	(9.3)	(9.3)
Trade and other payables	**(56.9)**	**(56.9)**	(69.2)	(69.2)

The fair value of borrowings has been calculated by discounting the expected future cash flows at the appropriate interest rate at the balance sheet date for each class of financial asset and liability. The carrying value of the bank loan is stated net of the debt issuance costs whilst the fair value is calculated using market interest rates.

Fair value measurements
IFRS 13 requires enhanced disclosures about fair value measurements of financial instruments through the use of a three level fair value hierarchy that prioritises the valuation techniques used in fair value calculations.

The levels can be broadly described as follows:

- Level 1 – use of unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – use of observable inputs other than quoted prices included within level 1, such as quoted prices for similar assets or liabilities in active markets.
- Level 3 – use of inputs not based on observable market data but reflecting management's own assumptions about pricing the asset or liability.

The Group's financial assets and liabilities measured at fair value at 30 September 2021 consist of derivative financial instruments. Derivatives are valued in the market using discounted cash flow techniques. These techniques incorporate inputs at level 2, such as interest rates and foreign currency exchange rates. These market inputs are used in the discounted cash flow calculation incorporating the instrument's term, notional amount, volatility, discount rate and taking credit risk into account. As significant inputs to the valuation are observable in external markets, these instruments are categorised as level 2 in the hierarchy. There have been no transfers between any levels in the financial year.

Where fair values differ from the carrying amount in the table above, the measurement of fair values use a discounted cashflow model which incorporate the borrowing rates for both, being a Level 2 input for the bank loan and a level 3 input for the other financial liabilities. There have been no changes to this valuation technique in current financial year. For other financial assets and liabilities, the fair value approximates to the carrying values.

Derivative instruments

At the balance sheet date the fair value of the Group's derivative financial assets and liabilities was as follows:

	30 September 2021		
	Assets *fair value*	**Liabilities *fair value***	**Total *fair value***
	£m	**£m**	**£m**
Commodity swaps	**0.1**	**-**	**0.1**
Total	**0.1**	**-**	**0.1**
Analysed as:			
Current	**0.1**	**-**	**0.1**

	30 September 2020		
	Assets *fair value*	Liabilities *fair value*	Total *fair value*
	£m	£m	£m
Foreign exchange forwards	0.7	(6.2)	(5.5)
Commodity swaps	-	(1.0)	(1.0)
Interest rate swap	-	(0.3)	(0.3)
Total	*0.7*	*(7.5)*	*(6.8)*
Analysed as:			
Current	0.7	(7.2)	(6.5)
Non-current	-	(0.3)	(0.3)
Total	*0.7*	*(7.5)*	*(6.8)*

A gain in the value of derivatives of £1.3m (2020: £0.5m) has been recognised in financial income within the consolidated income statement in the financial year.

The following table indicates the periods in which the cash flows associated with derivatives are expected to occur. Future cash flows have been estimated based on spot rates and prices at 30 September 2021 and have been shown net for each instrument.

	30 September 2021	*30 September 2020*	
	No later than 1 year	No later than 1 year	Later than 1 year and no later than 2 years
	£m	£m	£m
Derivative financial assets			
Foreign exchange forwards	-	0.7	-
Commodity swaps	**0.1**	-	-
	0.1	0.7	-
Derivative financial liabilities			
Interest rate swap	-	-	(0.3)
Foreign exchange forwards	-	(6.2)	-
Commodity swaps	-	(1.0)	-
	-	(7.2)	(0.3)
Total	**0.1**	(6.5)	(0.3)

Capital management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide for long term capital growth for shareholders. The Group's policy is to maintain a strong capital base that ensures financial stability and provides a solid foundation for ongoing development and growth of business operations and maintain investor, regulatory, lender and supplier confidence.

The Group defines capital as equity (Note 32) and interest-bearing loans and borrowings (Note 28).

The Group has externally imposed requirements for managing capital under the terms of its loan facility. Details of these requirements are set out in the liquidity risk section above.

31. Provisions for liabilities

	Dilapidations £m	Other £m	Total £m
At 30 September 2019	3.0	2.5	5.5
Provided in the financial year	-	10.6	10.6
Released unused in the financial year	(0.2)	(0.6)	(0.8)
Cash paid	-	(1.7)	(1.7)
Amounts recognised in balance sheet	0.2	-	0.2
Foreign exchange	-	(0.2)	(0.2)
At 30 September 2020	3.0	10.6	13.6
Provided in the financial year	0.3	4.3	4.6
Released unused in the financial year	-	(0.7)	(0.7)
Cash paid	-	(7.6)	(7.6)
Disposal of the CAA ring fenced group	(1.9)	(1.7)	(3.6)
Transfer from accruals	-	1.1	1.1
Amounts recognised in balance sheet	0.2	-	0.2
At 30 September 2021	**1.6**	**6.0**	**7.6**

At 30 September 2021	**Dilapidations £m**	**Other £m**	**Total £m**
Analysed as:			
Non-current	**1.6**	**0.1**	**1.7**
Current	**-**	**5.9**	**5.9**
	1.6	**6.0**	**7.6**
At 30 September 2020			
Analysed as:			
Non-current	2.2	0.2	2.4
Current	0.8	10.4	11.2
	3.0	10.6	13.6

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

Other
Other provisions relate to outstanding claims, obligations for yacht repairs totalling £3.6m (2020: £7.4m), litigation and restructuring provisions that have been entered into in the ordinary course of business, the amount or timing of which is uncertain. The Group has a policy to mitigate the financial risk of claims, litigation and disaster through insurance with third party providers. Further details of the obligations to repair yachts following Hurricane Irma are disclosed in Note 8.

32. Called up share capital

	30 September 2021 £m	30 September 2020 £m
Fully paid and issued		
22,780,723 (2020: 22,780,723) ordinary shares of £1 each	**22.8**	22.8

33. Movements in liabilities arising from financing activities

Financial liabilities	Lease liabilities £m	Bank and asset-related loans £m	Other financial liabilities £m	Total £m
At 30 September 2019	-	111.2	7.9	119.1
Non-cash movement on adoption of IFRS 16	79.7	-	-	79.7
Cash inflow in the financial year	-	64.9	2.7	67.6
Cash outflow in the financial year	(39.8)	(0.1)	(1.2)	(41.1)
Non-cash movement	77.6	1.0	-	78.6
At 30 September 2020	117.5	177.0	9.4	303.9
Cash inflow in the financial year	-	46.7	0.7	47.4
Cash outflow in the financial year	(32.1)	(47.5)	(1.4)	(81.0)
Non-cash movements in the financial year	50.7	99.4	(0.7)	149.4
At 30 September 2021	**136.1**	**275.6**	**8.0**	**419.7**

The non-cash movement in bank and asset-related loans of £99.4m primarily relates to the £88.1m financing for the purchase of the Ultramarine ship, details for which are in Note 28. Details of the Group's lease liabilities, including changes in the financial year, are provided in Note 20. Details of loans and other financial liabilities are provided in Note 28.

34. Capital and other financial commitments

The Group's capital and other financial commitments at 30 September 2021 are as follows:

Total amount payable	*30 September* 2021 £m	*30 September* 2020 £m
Purchases of property, plant and equipment:		
Aircraft equipment	**2.9**	10.3
Yachts	**48.1**	42.5
Boats	**1.2**	0.1
Total capital commitments	**52.2**	52.9
Aircraft service fees	**18.5**	19.6
Total financial commitments contracted but not provided for	**70.7**	72.5

Yacht purchases will primarily be financed by asset-related loans, as detailed in Note 28 and subsequently sold to third parties within a short time frame. Aircraft service fees in respect of the two new leased Airbus A321 aircraft reflect service and other fees that are not capitalised within the respective right of use asset, in accordance with the chosen accounting policy permitted by IFRS 16.

35. Subsidiary undertakings at 30 September 2021

The Group's consolidated financial statements include the results of the Company, its direct and all of its indirect subsidiaries included in the table below. All subsidiaries are wholly owned. The Directors consider the book value of the investment in its direct subsidiary to be supported by the higher of underlying net assets and its recoverable value.

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
Alkor Yat Turizm Isletmeciligi AS	Turkey	Tuzla Mahallesi 556, Sokak No: 6/A, Fethiye, Mugla, Turkey	TRY0.10 Ordinary shares
Antigua Charter Services Limited	Antigua and Barbuda	Lower Factory Road, St Johns, Antigua and Barbuda	XCD1.00 Ordinary shares
Connoisseur Belgium BV	Belgium	Brugse Vaart 48 8620 Nieuwpoort, Belgium	€100.00 Ordinary shares
Crown Blue Line France SAS	France	Le Grand Bassin, 11400 Castlenaudary, France	€16.00 Ordinary shares
Crown Blue Line GmbH	Germany	Theodor-Heuss-Strasse 53-63B, 61118, Bad Vilbel, Germany	€1.00 Ordinary shares
Crown Blue Line Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Crown Holidays Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.50 Ordinary shares
Crown Travel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
EEFC, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Nil par value Common stock
Emerald Star Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	€1.25 Ordinary shares
Enchanting Africa Ltd	Kenya	Isaac Gathanju Close, Off Isaac Gathanju Road, Lavington, PO Box 25716, 00603 Nairobi, Kenya	KES1,000.00 Ordinary shares
Enchanting Travels AG	Germany	Am Bahnsteig 4, 82024 Taufkirchen, Germany	Nil par value shares
Enchanting Travels Inc	USA	8400, E Prentice Ave, Suite 1500, Greenwood Village, Colorado 80111, USA	US$0.001 Common Shares
Enchanting Travels Pvt. Ltd	India	660/1, Akshaya 2nd Floor, 100 Ft. Rd. Indiranagar, Bangalore 560038 India	INR10.00 Ordinary common stock equity
Exodus Travels Australia PTY Ltd	Australia	Kovac Advisory Pty Ltd, Level 3, 50 Market Street, Melbourne VIC 3000.	AUD1.00 Ordinary shares
Exodus Travels Canada Inc	Canada	112 Merton Street, Suite 1, ON M4S 2Z8, Canada	CAD1.00 Common shares
Exodus Travels USA, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
FCM (BVI) Limited	Virgin Islands, British	c/o Belomont Trust Limited, Belmont Chambers, Tropical Isle Blg, Nibbs Street, Road Town, Tortola, VG1110, BVI	US$100.00 Ordinary shares
Gei-Moorings LLC	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Not applicable
Gie Uma	French Polynesia	Marina Apooliti, No 4443 B, Raiatea, RCS Papette	XPF20,000.00 Ordinary shares
Gullivers Group Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Headwater Holidays Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Hellenic Sailing Holidays SA	Greece	Marina Zeas, Freattyda, PO Box 18536, Piraeus, Greece	€3.00 Ordinary shares
Hellenic Sailing SA	Greece	Marina Zeas, Freattyda, PO Box 18536, Piraeus, Greece	€30.00 Ordinary shares
Le Boat Limited	Canada	1 Jasper Avenue, Smith Falls, Ontario K7A 4BA, Canada	Nil par value common shares
Le Boat Netherlands BV	Netherlands	Groenlandse kade 9, 3645 BA Vinkeveen, Netherlands	€1.00 Ordinary shares
Mariner Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Nil Par value Common stock
Mariner International (Grenada) Limited	Grenada	Nos. 4 & 6 Lucas Street, St. George's, Grenada	XCD1.00 Ordinary shares
Mariner International (Martinique) SAS	France	Capitainiere du Marin, Bassin Tortue, Le Marin 97290, Martinique	€1.00 Ordinary shares
Mariner International (UK) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.05 Ordinary shares
Mariner International (USA), Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Mariner International Travel (UK) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.05 Ordinary shares
Mariner International Travel, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.0001 Ordinary shares

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
Mariner Travel GmbH	Germany	Theodor-Heuss-Strasse 53-63B, 61118, Bad Vilbel, Germany	DEM1.00 Ordinary shares
Mariner Travel SARL	France	8, Avenue de Verdun, 06000, Nice, France	€16.00 Ordinary shares
Mariner Yacht Services SA	St Martin	Marina Fort Luis, Baei de Marigot, Marigot, 97150 Saint Martin	€15.00 Ordinary shares
Mariner Yachts (Pty) Limited	South Africa	2nd Floor Marina Centre, Lobby 1, West Quay Road, V&A Waterfront, South Africa	ZAR1.00 Ordinary shares
Maxi Yen SL	Spain	Jose Rover Motta, 27, 07006 Palma de Mallorca, Spain	ESP1,000.00 Ordinary shares
Moorings Grenadines Limited	Saint Vincent	C/O PO Box 262, Kingstown, St Vincent	Nil par value Ordinary Shares
Moorings Yachting SAS	*France*	*8, Avenue de Verdun, 06000, Nice, France*	€15.00 Ordinary shares
Moorings Yat Isletmeciligi Turizm Ve Ticaret Ltd Sti	Turkey	556, Sokak, No:6, Tuzla Mahallesi-Fethiye, Turkey	TRY25.00 Ordinary shares
MyPlanet Holding A/S	Denmark	Silkeborgvej 43,1 8000 , Aarhus C, Denmark	DKK100.00 Ordinary shares
MyPlanet International A/S	Denmark	Silkeborgvej 43,1 8000 , Aarhus C, Denmark	DKK1,000.00 Ordinary shares
MyPlanet Sweden AB	*Sweden*	*Kastellgatan 17, 413 07, Goteborg, Sweden*	*SEK100.00 Ordinary shares*
Porter and Haylett Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Prestige Boating Holidays Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	€1.25 Ordinary shares
Quark Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock shares
SAS The Moorings	*French Polynesia*	*Uturoa, Raiatea, BP 165, French Polynesia*	XPF2,000.00 Ordinary shares
Sawadee Amsterdam B.V.	Netherlands	Prins Bernhardplein 200, 1097 JB Amsterdam, AZ Amsterdam, The Netherlands	*€10.00 Ordinary shares*
Sunsail (Antigua) Limited	Antigua and Barbuda	9 Factory Road, St John's, Antigua	XCD1.00 Ordinary shares
Sunsail (Australia) Pty Ltd	Australia	Level 8, 234 George Street, Sydney NSW 2000, Australia	AUD1.00 Ordinary shares
Sunsail (Seychelles) Limited	*Seychelles*	*KPMG Pool & Patel, La Rosiere, PO Box 117, Victoria, Mahe, Seychelles*	INR100.00 Ordinary shares
Sunsail (Thailand) Co. Ltd	Thailand	Phuket Boat Lagoon, 20/5 Moo 2, Thepkrasattri Road, Koh Kaew, Phuket, 83200, Thailand	THB100.00 Ordinary B shares and THB100.00 Preference A shares
Sunsail Adroatic d.o.o.	Croatia	Motarska 99, Split, 21000, Croatia	HRK38,999,700.00 Ordinary shares
Sunsail Hellas MEPE	Greece	Apollonos 12, P.Faliro 17561, Athens, Greece	€30.00 Ordinary shares
Sunsail SARL	France	Le Grand Bassin, 11400 Castlenaudary, France	€15.00 Ordinary shares
Sunsail Spain S.L.	Spain	*Marine Naviera Balear, Paseo Maritimo Number 4 , 07014 Palma de Mallorca, Spain*	*€1.00 Ordinary shares*
Sunsail Worldwide Sailing (St. Vincent) Limited	Saint Vincent	The Lagoon Marina & Hotel, Ratho Mill, Box 133, Kingstown, St Vincent	Nil par value Common shares
Sunsail Worldwide Sailing Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom.	£0.05 Ordinary shares
TCO USA Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, *New Castle County DE, United States*	US$0.01 Common stock
TCS & Starquest Expeditions, Inc	United States	505 Union Avenue SE, Suite 120, Olympia WA 98501, United States	Nil Par Value Common stock
TCS Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
The Moorings (Bahamas) Ltd	Bahamas	Trinity Place Annex, Corner Frederick and Shirley streets, PO Box N-4805, Nassau, Bahamas	BSD1.00 Ordinary shares
The Moorings (Seychelles) Ltd	*Seychelles*	*1st Floor, Allied Plaza, Francis Rachel Street, P.O. Box 1289 Victoria, Mahé, Seychelles*	*SCR100.00 Ordinary shares*
The Moorings (St Lucia) Ltd	Saint Lucia	Pointe Seraphine, Castries, Saint Lucia	US$1.00 Ordinary shares
The Moorings Belize Limited	Belize	91 North Front Street, Belize City, Belize	BZD10.00 Ordinary shares
The Moorings d.o.o.	Croatia	Mostarska 99, Split, 21 000, Croatia	HRK1.00 Ordinary shares
The Moorings Limited	Virgin Islands, British	Belmont Chambers, P.O. Box 3443, Road Town, Tortola, Virgin Islands, British	US$1.00 Ordinary shares
The Moorings Sailing Holidays Limited	United Kingdom	*Origin One, 108 High Street, Crawley, West Sussex, RH10* 1BD, United Kingdom	*£1.00 Ordinary shares*

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
TIM Bidco 1 Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
TIM Bidco II Corp	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.10 Common stock
TIM Holdco Limited*	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travcoa Corporation	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Travel Services Europe Spain SL	Spain	Ronda Sant Antoni 36-38, 3º-2ª, 08001, Barcelona, Spain	€1.00 Ordinary shares
Travelopia Central Operations Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia Contract Services Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia France SARL	France	Espace Val d'Arly, 95 Rue Derobert, 73400, Ugine, France	€20.00 Ordinary shares
Travelopia Holdings (Australia) Pty Limited	Australia	Level 8, 234 George Street, Sydney NSW 2000, Australia	AUD1.00 Ordinary shares
Travelopia Holdings Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia USA Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Trek Investco Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.01 Ordinary shares
Versun Yachts NSA	Greece	Marina Zeas, Freattyda, PO Box 18536, Piraeus, Greece	€30.00 Ordinary shares
Vinson Expeditions LLC	Marshall Islands	The Trust Company of the Marshall Islands Inc, Trust Company Complex, Ajeltake Island, Ajeltake Road, Majuro, Marshall Islands, MH 96960, Marshall Islands	Not applicable
Yachts International Limited	Virgin Islands, British	Belmont Chambers, P.O. Box 3443, Road Town, Tortola, Virgin Islands, British	US$0.10 Ordinary shares
YII, LLC	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Not applicable
Zegrahm Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock

* Direct shareholding of the Company

36. Audit exemption provided to certain UK Group subsidiaries

The Company is providing certain wholly owned UK subsidiaries (as disclosed in Note 35) and which are included within these Group consolidated financial statements with guarantees of their respective debts in the form prescribed by Section 479(C) of the Companies Act 2006 ('the Act') such that they can claim exemption from requiring an audit in accordance with Section 479(A) of the Act. These guarantees cover all of the outstanding actual and contingent liabilities of these companies at 30 September 2021:

Subsidiary	Company number
Crown Blue Line Limited	00946385
Crown Holidays Limited	01734244
Headwater Holidays Limited	04484400
Mariner International (UK) Limited	02746852
Porter and Haylett Limited	00614180
Sunsail Worldwide Sailing Holidays Limited	01658245
The Moorings Sailing Holidays Limited	01286826
Tim Bidco 1 Limited	10605742
Tim Holdco Limited	10605586
Travelopia Central Operations Limited	10618310
Travelopia Holdings Limited	05934241
Trek Investco Limited	03769224

37. Related party transactions

Apart from with its own subsidiaries which are included in the consolidated financial statements and loans to the CAA ring fenced group that are disclosed in Note 22, the Group maintained direct and indirect relationships with the ultimate controlling party, KKR & Co. Inc, and related parties of KKR & Co. Inc. During the financial year, management and consultancy fees totalling £1.8m (2020: £0.8m) were charged by KKR & Co, Inc and have been recognised in the consolidated income statement.

38. Post balance sheet events

Since the balance sheet and up until the date of signing these financial statements, the Company has been provided with an additional interest-bearing loan of £20.0m from its parent, Travelopia Group Holdings Limited, to provide additional liquidity and funding for the Group.

39. Ultimate parent company and controlling party

The Directors consider the ultimate parent company and controlling party of the Company to be KKR & Co. Inc ('KKR'), on behalf of the funds under its management. The immediate parent company is Travelopia Group Holdings Limited, a company incorporated in England and which is the smallest and largest group to consolidate the results of the Company and Group. The registered address of Travelopia Group Holdings Limited is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD.

Company balance sheet as at 30 September 2021

	Note	30 September 2021 £m	30 September 2020 £m
Non-current assets			
Investments in subsidiary undertakings	C	**202.2**	227.8
Total assets		**202.2**	227.8
Net assets		**202.2**	227.8
Equity			
Called up share capital	D	**22.8**	22.8
Share premium account		**205.0**	205.0
Retained deficit		**(25.6)**	-
Total equity attributable to equity holders of the parent		**202.2**	227.8

The loss after tax for the financial year was £25.6m (2020: £nil). The notes on pages 80 to 82 form part of the Company's financial statements.

The financial statements on pages 78 to 82 were approved by the Board of Directors on 31 May 2022 and were signed on its behalf by:

DocuSigned by:
52949CE963DE46F...
J I de Ochoa
Director

Company Number: 10605234

Company statement of changes in equity at 30 September 2021

	Called up share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
At 30 September 2019	22.8	205.0	-	227.8
Total comprehensive result for the financial period	-	-	-	-
At 30 September 2020	22.8	205.0	-	227.8
Total comprehensive loss for the financial year	-	-	(25.6)	(25.6)
At 30 September 2021	**22.8**	**205.0**	**(25.6)**	**202.2**

The Company is a parent company of the Travelopia group of companies and a subsidiary of Travelopia Group Holdings Limited, the highest UK incorporated company in the Travelopia Group.

A. Accounting policies

Basis of preparation
The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's financial statements. The Company's financial statements are presented in the Company's presentational currency of Sterling, rounded to the nearest one million pounds.

Accounting convention
The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards and under the historical cost convention. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has taken advantage of section 408 of the Companies Act 2006 not to publish a separate Income Statement and related notes for the Company. The loss after tax for the financial year of £25.6m (2020: £nil) is included within the Company Statement of Changes in Equity.

The Company has elected to prepare its parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In the parent company financial statements, the Company has applied the exemptions available under FRS 101 in respect of the Cash flow statement disclosures that would have otherwise been applicable.

Investments
Investments in subsidiaries are stated at cost less provision for impairment.

Impairment of non-financial assets
Non-financial assets not subject to amortisation are tested annually for impairment. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of total comprehensive income whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Share capital and share premium account
Ordinary shares are classified as equity within shareholders' funds. Cash received in excess of the nominal value of the shares issued is recognised as share premium.

B. Critical accounting estimates and judgments

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The area involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year is disclosed as follows:

Investments in subsidiary undertakings
Judgement is required in the assessment of the carrying amount of the investment in the Company's subsidiary undertakings. Estimation of the recoverable amount of the investment requires the Company to assess future cash flows projected to be generated by the subsidiary (and its subsidiaries), which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for the products of the subsidiaries of that entity. Further information, including sensitivity analysis and the key estimates used to determine recoverable value, is provided in Note C.

C. Investments

	Shares in subsidiaries £m
Cost	
At 30 September 2020 and 30 September 2021	**227.8**
Impairment:	
At 30 September 2020	-
Charge for the financial year	**(25.6)**
At 30 September 2021	**(25.6)**
Net book value:	
At 30 September 2021	**202.2**
At 30 September 2020	227.8

A list of the Company's direct and indirect subsidiaries are included within Note 35 of the consolidated financial statements. There have been no additions or disposals during the financial year.

In the financial year ended 30 September 2020, the Company's investment into its subsidiaries encompassed the entire Travelopia Group. The disposal of the CAA ring fence group by the Company's subsidiaries provided this Group with a £52.6m profit on disposal, as disclosed in Note 17 of the consolidated financial statements. The delay in the restart of leisure travel due to the coronavirus pandemic, and the loss recorded by the group in the financial year, has led the Directors to concluded there is an indicator of impairment of the remaining investment. The Group has therefore performed an impairment review in accordance with IAS 36.

The fair value less costs to sell ('FVLCTS'), being £202.2m at September 2021, is higher than the value in use and hence the recoverable value has been determined to be the FVLCTS. Two valuation techniques have been used to determine FVLCTS: i) an earnings multiple; and ii) a discounted cash flow. For the earnings multiple, the key estimates and assumptions used in determining FVLCTS were the expected future earnings (being Adjusted EBITDA for the financial year ending 30 September 23), together with an appropriate market-rate earnings multiple, this being a fair value measurement categorised within Level 3 of IFRS 13's fair value hierarchy. In the discounted cash flow basis, the key estimates and assumptions used in determining the FVLCTS were: i) the discount rate, being a post-tax rate of 14.8%, ii) the expected future earnings over the period of the Group's approved three year Strategic Plan; and iii) a growth rate used in the period beyond that covered by the Group's strategic plan of 2.0%. In both methodologies, a reasonable estimate has been included of costs to sell.

The result of these tests is the recognition of a £25.6m impairment charge within administrative expenses, in the Company's Statement of Comprehensive income. Both tests are sensitive to changes in key assumptions. The table below shows the impact on the recoverable value if reasonably possible changes to these key assumptions were made:

	Earnings multiple £m
Decrease in earnings mulitple by 0.5	-£37.5m
Decrease in FY23 Adjusted EBITDA by £5.0m	-£32.0m

An increase in either the earnings multiple of 0.3 or the FY23 Adjusted EBITDA of £3.9m would cause the recoverable value to equal the carrying value.

	Discounted cash flows £m
Increase in discount rate by 1.0%	-£32.8m
Decrease in long term growth rate by 1%	-£27.3m
Decrease in Adjusted EBITDA in the year of perpetuity by £5.0m	-£28.2m

An increase in either the WACC by 0.6%, the long term growth rate of 0.8%, or an increase in the Adjusted EBITDA in the year of perpetuity of £4.4m would cause the recoverable value to equal the carrying value.

In the financial year ended 30 September 2020, an impairment assessment was also undertaken with the recoverable amount being determined by the value in use, for which a pre-tax discount rate of 14.8% was used. No impairment of the investment was recorded.

D. Called up share capital

	30 September 2021 £m	30 September 2020 £m
Issued and fully paid		
22,780,723 (2020: 22,780,723) ordinary shares of £1 each	**22.8**	22.8