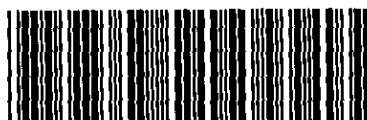


**Tim Midco Limited**

**Reports of the Directors and the financial statements  
for the financial year to 30 September 2023**

**Company Number: 10605234**

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COMPANIES HOUSE

The Directors present their Strategic and Directors' Reports on the audited consolidated financial statements of Tim Midco Limited (individually the 'Company' and together with its subsidiary companies listed in Note 33, 'the Group') for the financial year ended 30 September 2023. 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 Group's strategy is to be the world's best experiential travel group, enriching lives through travel. The Company's principal activity is to act as a holding company.

The 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 safaris, large and private jet tours, polar expeditions, tailor-made luxury holidays and yacht and river boat charter holidays. 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 resulted in praise from its customers, 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 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 our Group divisions 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 businesses**

The Group organises its businesses into seven tour operating reporting units:

**Adventure:** The Adventure division provides a range of premium adventure holidays and expeditions worldwide, including Sawadee, which has been providing adventure holidays and expeditions for over 30 years.

**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 owned 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 operators of self-drive boating holidays across Europe, its guests are able to explore France, Germany, Belgium, Holland, Italy, the Thames, Scotland, Ireland and Ontario, Canada from over 25 bases. With no previous experience required, anyone can set off on their own river adventure.

**Enchanting Travels:** A tailor-made luxury travel specialist that 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 January 2021, Exodus Travels Limited, the Tailormade, Events and Education UK tour operating divisions were disposed to another Group subsidiary as part of an internal group restructure. Since then, 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'.

### Review of the business

To effectively measure the development, performance and position of the Group, the following KPIs are of most relevance.

		30 September 2023	30 September 2022
<b>KPI - Continuing operations</b>			
<b>Number of passengers</b>	Number	<b>208,929</b>	189,636
<b>Revenue</b>	£m	<b>741.0</b>	459.4
<b>Adjusted EBITDA</b>	£m	<b>99.0</b>	26.8
<b>Loss before tax from continuing operations</b>	£m	<b>(28.5)</b>	(70.7)
<b>Cash</b>	£m	<b>133.4</b>	157.5
<b>Average number of employees</b>	Number	<b>2,065</b>	1,730

A review of the Group by division for the financial year is as follows:

Division	Revenue Financial year 2023	Revenue Financial year 2022
	£m	£m
<b>Adventure</b>	<b>48.2</b>	20.5
<b>Quark Expeditions</b>	<b>90.1</b>	22.1
<b>TCS</b>	<b>143.7</b>	44.9
<b>Yachts</b>	<b>272.5</b>	226.2
<b>Le Boat</b>	<b>42.2</b>	44.4
<b>Enchanting Travels</b>	<b>52.9</b>	29.1
<b>US Tour Operator</b>	<b>91.4</b>	72.2
<b>Continuing operations</b>	<b>741.0</b>	459.4

## STRATEGIC REPORT (continued)

This financial year has seen a return of travel without global restrictions across the entire financial year, the first since before Covid-19, with almost 209,000 (2022: 190,000) passengers travelling with the Group's divisions. Across the Group, we've seen a record level of Adjusted EBITDA of £99.0m, with many of our divisions achieving record revenue and/or Adjusted EBITDA levels of profitability in the financial year. The Group has invested heavily in its people, especially in its sales and marketing capabilities with the opening of its new Costa Rican talent hub, alongside two other talent hubs in Bangalore and Cape Town. The Group has also invested heavily in its websites, digital capabilities and its fleet of yachts, boats and bases in the year, all of which has driven growth as demand returned after the pandemic.

In Adventure, revenues and passenger numbers more than doubled in Sawadee in the financial year ended 30 September 2023, ('FY23') with the business seeing a return to profitability. The division has continued to invest in its IT and sales and marketing capabilities.

Quark's owned ship, Ultramarine, recommenced operations meaningfully, completing twenty two voyages in her first full financial year. A successful refit was undertaken on some areas of the ship, including bridge wing extensions and an enhancement to its bow, to improve its navigational and ice-breaking efficiency and capabilities. Together with its three other leased ships, passenger numbers grew from approximately 2,300 in FY22 to just over 8,800 in FY23. The division achieved its highest ever revenues, whilst its customer satisfaction scores were among the highest in the Group. Thirty new staff members joined the team across all three of the Group's talent hubs in Costa Rica, India and South Africa. Quark was also awarded the 'Best Expedition Cruise Line 2023' by Virtuoso in the year.

TCS operated one of its two new leased Airbus A321 NEO Long Range aircraft in the financial year, with the other having been leased back to the lessor since Covid-19. The Group has invested in 'Buyer Furnished Equipment' for its two planes, customising and fitting out the interiors to a luxurious standard. The business carried almost 50% more passengers than in the prior year. It achieved its target customer satisfaction scores and highest ever revenues and profitability. Demand generation and growth has been achieved from improved booking conversions, driven partially by the recruitment of over 30 new staff, including those in the Group's new talent hub in Costa Rica. The division re-took delivery of its second leased aircraft shortly after the financial year end, ready for the forthcoming financial year.

The Yachts division has again seen record revenues and profitability after an exceptional year in FY22, driven largely by higher yacht sales. Passenger numbers remained steady with improved customer satisfaction scores, primarily through its focus on service. The division continued to invest in demand generation for FY24, including a new website for The Moorings brand and in people at its talent hubs. The division's flagship base in the British Virgin Islands substantially completed its Hurricane Irma repairs and upgrades, including the re-opening of its restaurant, a new on-site market and deli and new facilities for its operations teams.

Le Boat saw a small reduction in passenger numbers year on year following increased 'staycation' customer trends during the pandemic. The business has continued to focus on operational excellence and delivering excellent customer experience, the results of which has been seen in its further strengthening of customer satisfaction scores.

Enchanting Travels continued its growth phase in FY23 as operations ran for the entire year, following a return of demand for long haul and luxury holidays post-pandemic. Passenger numbers were almost double that of FY22 and revenues exceeded this level. Having acquired this brand in 2019, the division has grown its profitability further supported by its Indian-based team and employees in over twenty countries. The division's customer satisfaction scores have been excellent, including a rating of 4.9 on Trustpilot.

The US Tour Operator division achieved a 15% increase in passenger numbers compared to FY22, whilst significantly improving YMT Vacation's customer satisfaction scores and onboarding seventy five new team members as it returned to full operations after the pandemic.

## STRATEGIC REPORT (continued)

### 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:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Continuing operations</b>		
Adjusted EBITDA	99.0	26.8
Depreciation, amortisation and impairment of non-acquisition related assets	(68.1)	(63.6)
Acquisition and disposal related items	(3.0)	(4.0)
Separately disclosed items	(23.0)	(16.4)
<b>Operating profit/(loss)</b>	<b>4.9</b>	<b>(57.2)</b>
Net financial expenses	(33.4)	(13.5)
<b>Loss before tax from continuing operations</b>	<b>(28.5)</b>	<b>(70.7)</b>

The Group's loss before tax from continuing operations for the financial year ended 30 September 2023 was £28.5m (2022: £70.7m). Adjusted EBITDA is stated after the exclusion of certain items included in loss before tax. Adjusted EBITDA from continuing operations for the financial year, for which a definition is provided in Note 5 of these financial statements, was a profit of £99.0m (2022: £26.8m). Whilst significant judgement is required in determining the classification of separately disclosed items, the exclusion of the Group's depreciation and amortisation charges and 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 amounted to £68.1m (2022: £63.6m), of which £38.2m (2022: £35.5m) was depreciation of right of use assets, £22.6m (2022: £20.4m) was depreciation of property, plant and equipment, and £7.3m (2022: £7.7m) was 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 £23.0m (2022: £16.4m), £10.5m (2022: £0.7m) of which arose from the Group's Management Equity Plan, details for which are in Note 10. The majority of this charge is either non-cash or conditional upon the value of the Group on the current ultimate shareholder's exit. The Group has also recognised a £3.0m (2022: £3.1m) in respect of an incremental Group-wide employee retention scheme that was run for a second and final year and which related to the re-commencement of operations at the end of the pandemic.

Net financial expenses of £33.4m (2022: £13.5m) have occurred during the financial year, £10.0m (2022: £9.0m) of which is for interest charges on lease liabilities. Interest charged on the Group's term loan, revolving credit facility and other debt totalled £28.0m (2022: £16.1m).

### Financial position

The Group ended the financial year with £133.4m (2022: £157.5m) of cash on the balance sheet, details of which are in Note 25. With a record year for Adjusted EBITDA, operating cash flows before changes in working capital and provisions rose from £13.7m in the previous financial year to £81.9m for FY23. As expected, the significant increase in working capital that was seen in the year ended 30 September 2022 unwound as customer monies became revenue on trip departures in the financial year, with cash flows generated from operations totalling £63.2m (2022: £79.3m).

The Group continues to have a fully drawn bank loan of £100.8m (2022: £100.3m), (being £100.0m (2022: £100.0m) principal and £0.8m (2022: £0.3m) of rolled-up interest) and an £80.0m (2022: £80.0m) revolving credit facility, of which £2.0m (2022: £2.0m) is for letters of credit. Both loans had their term extended in the previous financial year with the term loan now being repayable on 15 December 2025 and the revolving credit facility being repayable on 15 September 2025.

The bank covenant testing holiday in respect of the ratio between Net Debt and Adjusted EBITDA was in place throughout the financial year up until 30 September 2023, at which point the covenant test recommenced. The Group passed this test and the Directors expect to continue passing this test in the foreseeable future.

**STRATEGIC REPORT (continued)**

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 debt financing. The total principal amount owed (before the deduction of unamortised loan issue costs) at 30 September 2023 was £81.7m (2022: £95.4m), the decrease being attributable to both repayments and movements in the GBP:USD exchange rate, as the debt is denominated in US Dollars, which depreciated relative to Sterling by approximately 10% over the financial year.

To provide short-term funding for purchasing yachts, the Group has a five-year agreement with a third party to provide revolving inventory financing of up to \$20.0m, this facility having been increased by \$5.0m in the financial year. The total amount owing at 30 September 2023 was £15.3m (2022: £6.5m). In addition, the Group continues to lease back 301 of its owned Le Boat boats, having entered into a sale and lease back arrangement in 2021. The amount owed for these boats at 30 September 2023 was £9.9m (2022: £10.9m).

The Company continues to have an interest-bearing loan of £20.0m from its parent, Travelopia Group Holdings Limited, to provide additional liquidity and funding for the Group. The loan is unsecured, repayable in full on 2 August 2026 and bears interest at a combined rate of 4% margin over SONIA plus costs.

As global interest rates rose throughout the financial year, the Group's total interest expense (including interest on lease liabilities), rose to £45.8m (2022: £32.3m), whilst total interest paid (including interest on lease liabilities) rose from £23.6m to £34.3m.

Excluding lease liabilities, total interest-bearing loans and borrowings amounted to £318.0m (2022: £319.1m) at the financial year end, as repayments and the foreign exchange movement on the Ultramarine loan largely offset the increased yacht purchasing facility and rolled up interest.

The Group's acquisition-related intangible assets (comprising goodwill, brands and contracts) totalled £36.6m (2022: £40.2m), 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 (2022: £9.8m) arose on the acquisition of Enchanting Travels. A review of the carrying value of all intangible assets has been undertaken as a result of the global economic environment, including an assessment of the Group's businesses' actual and expected future performance. This has not led to any impairment charges in the financial year.

Property, plant and equipment of £266.6m (2022: £287.3m) primarily consists of the Group's marine vessels, including Ultramarine and owned hotels and bases. Total additions to property, plant and equipment was £23.2m (2022: £18.1m), primarily consisting of new yachts and boat purchases.

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 721 leases. A further 146 (2022: 136) newly capitalised leases were taken on and 158 (2022: 78) were disposed. The majority of these 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 2023 amounted to £108.5m (2022: £119.1m), £64.0m (2022: £68.3m) of which related to expedition ships, yachts and motor boats, whilst £32.2m (2022: £40.1m) of leased assets were in respect of an aircraft for TCS and two helicopters for the Ultramarine ship. Corresponding lease liabilities of £137.3 (2022: £152.2m) are recognised at the balance sheet date.

In January 2021, the Travelopia Group undertook 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. The total amount owing to the Group at 30 September 2023 was £43.6m (2022: £64.3m), following a £20.0m (2022: £nil) repayment of principal and interest in the financial year, details of which are in Note 21. 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.

## STRATEGIC REPORT (continued)

Total trade and other trade payables amounted to £387.3m (2022: £440.2m), of which £287.5m (2022: £341.0m) related to total customer deposits. Customer deposits for departures after more than one year from the balance sheet date amounted to £18.6m, compared to £22.0m at 30 September 2022. Customer deposits have normalised as expected, following the significant increase in pent up demand for travel and unfulfilled trips in the previous financial year.

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

On 12 December 2023, the Group acquired Kalos Holdings LLC and Kalos Tours, a US Group of companies delivering golf cruises, under the brand 'Kalos Golf'. Further information is provided in Note 36.

### Going concern

Throughout the financial year, the Directors of the Company have continued to assess the Group's current and future cash levels and funding requirements. To do this, the Group prepares 13-week rolling cashflow forecasts, together with monthly forecasts for the remainder of the financial year ending 30 September 2024 ('FY24 forecast'), at divisional and Group level which, together with the Strategic Plan for FY25 (being the financial year ending 30 September 2025), enable good short term and longer term liquidity outlook. The latest FY24 forecast and FY25 Strategic Plan form the basis of the Directors' going concern assessment, with the term used in the assessment period being at least one year from the date of signing these financial statements.

The Group continues to have an interest-bearing loan of £20.0m that was provided to the Company by its parent, Travelopia Group Holdings Limited, in the first quarter of the financial year ended 30 September 2022. In addition, in the previous financial year, the Group's ultimate shareholder committed additional funds to the Group by way of an Equity Commitment Letter ('ECL'), in the event that this is needed. The ECL only expires at the earlier of: i) a sale by the ultimate shareholder; ii) the occurrence of a Relevant Event, (as defined in the Senior Facilities Agreement); or iii) 15 December 2025. As part of that additional funding, the Company Directors agreed amended terms of its banking facilities with its Senior Lenders, which extended the repayment dates of the Term Loan and Revolving Credit Facility to 15 December 2025 and 15 September 2025 respectively. Only interest payments on the Term Loan and Revolving Credit Facility are required to be paid within the going concern assessment period.

The Group must now comply again with the quarterly Net Debt to Adjusted EBITDA ratio covenant ('net debt covenant') test, which re-commenced for the financial year ended 30 September 2023, following a covenant testing holiday that began in 2020. This covenant test was met with ample headroom. The minimum liquidity covenant that was put in place of the net debt covenant was satisfied in full throughout the financial year. The Directors have also continued to give regular business updates throughout the financial year to the Group's Senior Lenders.

The Group has successfully navigated through the FY24 financial year to date without the need to draw on the ECL. The FY24 forecast and FY25 Strategic Plan assume continued growth in the Group's Adjusted EBITDA, without the return of any global travel restrictions. The key estimates that flow into these plans not only include the Group's expected revenues and costs (and hence Adjusted EBITDA), but also include assumptions around the Group's working capital cashflow cycle, planned capital expenditure and expected tax payments.

Two financial models have been prepared to forecast the Group's cash levels and headroom against the net debt covenant test over the going concern assessment period. Firstly, a base case model that is driven by the latest FY24 forecast from each of the Group's divisions and which incorporates current actual and projected trading levels. As customers book well ahead of departure, the Group's trading profile provides excellent visibility and increased certainty around future cash flows that is factored into this base case model. With greater certainty arising from actual bookings, fewer contingencies are required in the near term than when modelling periods further out. A second model was then prepared, which builds upon the base case model by including the effects of severe but plausible downside assumptions that sensitises the base case by reducing revenues (and related variable costs) over the assessment period by 20% across all divisions, commencing in the second half of FY24. In both models, within the going concern assessment period, the Group is expected to have sufficient free cash to pay all liabilities as they fall due, as well as meeting the quarterly net debt covenant tests.

## **STRATEGIC REPORT (continued)**

Given the results of the modelling performed, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis of accounting.

### **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, including potential policy breaches. 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 during the financial year.

### **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 reviewed 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. KKR take a partnership approach to ownership, enabling the Group to benefit from the breadth and expertise of their entire firm. They believe 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.

**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 continue to provide asset-backed finance in the year, giving additional liquidity for current and previous year's purchases of boats, yachts and Ultramarine. Stakeholder engagement is managed in accordance with each lenders' contractual requirements.

**Regulators.** 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 segregated the UK and Irish tour operators from the rest of the Group. 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.

**Customers.** 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.

**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. The Board is highly appreciative of its employees and considers them in all decisions where appropriate. Regular communication with employees is undertaken through video meetings and presentations, 'town hall' meetings and emails.

**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.

## STRATEGIC REPORT (continued)

**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.

**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 tenders 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 Expedition's Polar Promise, for example, has a comprehensive sustainability strategy framework, incorporating 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.

### 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 Board continues to take the necessary decisions to continue to deliver on the Group's long-term strategic objectives and has built a platform for future growth in order to maximise growth over the next two years. This includes maximising our sales and marketing capabilities, such as investment into new websites and in our people, which has led to the recruitment of over 300 employees, including those at our new talent hub in Costa Rica.

The need to balance the conservation of cash in the short term with the need to invest for the long term has also been the major factor in the Board's decisions during the financial year and includes the exploration of additional funding and bonding lines for our regulated businesses.

The Directors have also approved its Budget and Strategic Plan for the forthcoming financial year with the Group's owners.

## STRATEGIC REPORT (continued)

### 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.

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

- **Liquidity and cashflow risk.** The Group is dependent upon its £100m bank loan, £80.0m revolving credit facility and cash reserves. The Directors have also obtained additional financial support from its ultimate shareholder in the form of a £20.0m loan to the Company and a commitment for an additional funding amount, should it be necessary and which is expected to be available to the Group over the entire going concern assessment period. With these and other actions, 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 its businesses' culture. The Group strives to mitigate this where it can with policies and procedures in place to reduce incidents, whether they are accidents or Covid-19 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 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 and for new post-pandemic trends in the face of increased costs of living. 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. All of the Group's brands have been reporting internally on their carbon emissions on a quarterly basis. In addition to the aforementioned risk of destination disruption, 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 asset valuations arising from climate change, but they 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 therefore reduces the Group's profitability. The Group has taken out an interest rate swap for £50.0m in the financial year to partially mitigate this risk by fixing the amount paid.

Further information on foreign currency risk, credit risk, interest rate, liquidity and cash flow risks are provided in Notes 21 and 31 of the financial statements.

**Approval**

This report was approved and signed on behalf of the Board on 20 February 2024.



**D A Binefa**  
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:

P P Baorda  
D A Binefa  
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 three Directors of the Company whilst a Group subsidiary, Travelopia Holdings Limited maintained Directors' and Officers' Liability insurance policies that would respond to cover the remaining Director as a Director of the Company as well as subsidiaries of the wider Travelopia Group. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

### **Statement as to disclosure of information to auditor**

The Company re-appointed Deloitte LLP as its auditor for the financial year. The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. Deloitte LLP have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the annual general meeting.

### **Dividends**

No dividends were declared, proposed 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 and retain strong individual performers as they drive delivery of the Group's strategic plans.

The Group employed an average of over 2,000 (2022: 1,700) 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 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 37.

### **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 year. 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:

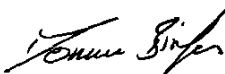
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act have been followed for the consolidated financial statements and IFRSs including FRS 101, have been followed for the Company financial statements; 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.

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

### **Approval**

This report was approved and signed on behalf of the Board on 20 February 2024.



**D A Binefa**  
Director

Company Number 10605234

## Report on the audit of the financial statements

### Opinion

In our opinion:

- the financial statements of Tim Midco Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of total comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 38 and A to F.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

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

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 information

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

## **Independent auditor's report to the members of Tim Midco Limited**

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the 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.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

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

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

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

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

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



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

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

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

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

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept 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.

We have nothing to report in respect of these matters.

##### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Alistair Pritchard FCA*

Alistair Pritchard FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

20 February 2024

Tim Midco Limited  
Consolidated income statement for the financial year ended 30 September 2023

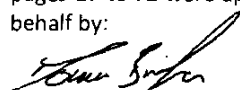
	Note	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Continuing operations</b>			
Revenue	9	741.0	459.4
Cost of sales		(543.1)	(375.6)
<b>Gross profit</b>		<b>197.9</b>	<b>83.8</b>
Distribution costs		(93.9)	(48.9)
Administrative expenses		(99.1)	(92.1)
<b>Operating profit/(loss)</b>		<b>4.9</b>	<b>(57.2)</b>
<b>Analysed as:</b>			
<b>Adjusted EBITDA</b>		<b>99.0</b>	<b>26.8</b>
Depreciation, amortisation and impairment on non-acquisition related assets	11	(68.1)	(63.6)
Acquisition and disposal related items	12	(3.0)	(4.0)
Separately disclosed items	13	(23.0)	(16.4)
<b>Operating profit/(loss)</b>		<b>4.9</b>	<b>(57.2)</b>
Financial income	14	12.4	18.8
Financial expenses	15	(45.8)	(32.3)
<b>Net financial expenses</b>		<b>(33.4)</b>	<b>(13.5)</b>
<b>Loss before tax</b>		<b>(28.5)</b>	<b>(70.7)</b>
Taxation	16	(8.5)	0.4
<b>Loss after tax from continuing operations</b>		<b>(37.0)</b>	<b>(70.3)</b>
<b>Total loss for the financial year attributable to equity holders of the parent</b>		<b>(37.0)</b>	<b>(70.3)</b>

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Loss for the financial year</b>	<b>(37.0)</b>	<b>(70.3)</b>
<b>Other comprehensive income</b>		
<b>Items that will not be subsequently reclassified to profit and loss:</b>		
Remeasurement of defined benefit obligation	(0.1)	0.5
	(0.1)	0.5
<b>Items that may be subsequently reclassified to profit and loss:</b>		
Foreign exchange translation	3.5	(14.9)
<b>Other comprehensive income/(loss) for the financial year, net of tax</b>	<b>3.4</b>	<b>(14.4)</b>
<b>Total comprehensive loss attributable to equity holders of the parent for the financial year, arising from continuing operations</b>	<b>(33.6)</b>	<b>(84.7)</b>

**Tim Midco Limited**  
**Consolidated balance sheet at 30 September 2023**

		30 September 2023 £m	30 September 2022 £m
	Note		
<b>Non-current assets</b>			
Intangible assets	17	50.4	56.1
Property, plant and equipment	18	266.6	287.3
Right of use assets	19	108.5	119.1
Trade and other receivables	20	7.3	17.1
Interest bearing receivables	21	44.8	65.8
Derivative financial instruments	28	0.9	-
Retirement benefit asset	22	0.8	0.9
Deferred tax assets	23	23.7	37.7
		<b>503.0</b>	<b>584.0</b>
<b>Current assets</b>			
Inventories	24	34.2	29.7
Trade and other receivables	20	72.0	68.3
Income tax recoverable		4.0	2.0
Derivative financial instruments	28	1.7	2.3
Cash and cash equivalents	25	133.4	157.5
<b>Total current assets</b>		<b>245.3</b>	<b>259.8</b>
<b>Total assets</b>		<b>748.3</b>	<b>843.8</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	26	(28.2)	(19.1)
Lease liabilities	19	(41.3)	(46.8)
Trade and other payables	27	(357.7)	(407.4)
Derivative financial instruments	28	(1.8)	(4.1)
Provisions for liabilities	29	(6.9)	(2.7)
Income tax payable		(2.1)	(4.4)
<b>Total current liabilities</b>		<b>(438.0)</b>	<b>(484.5)</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	26	(289.8)	(300.0)
Lease liabilities	19	(96.0)	(105.4)
Trade and other payables	27	(29.6)	(32.8)
Derivative financial instruments	28	-	(0.4)
Provisions for liabilities	29	(8.1)	(1.2)
Deferred tax liabilities	23	(9.4)	(10.3)
		<b>(432.9)</b>	<b>(450.1)</b>
<b>Total liabilities</b>		<b>(870.9)</b>	<b>(934.6)</b>
<b>Net liabilities</b>		<b>(122.6)</b>	<b>(90.8)</b>
<b>Equity</b>			
Called up share capital	30	22.8	22.8
Share premium account	38	205.0	205.0
Retained earnings	38	(343.1)	(305.5)
Share-based payment reserve	38	4.3	2.5
Foreign exchange reserve	38	(11.6)	(15.6)
<b>Total equity attributable to equity holders of the parent</b>		<b>(122.6)</b>	<b>(90.8)</b>

The notes on pages 22 to 72 form part of the consolidated financial statements. The consolidated financial statements on pages 17 to 72 were approved and authorised for issue by the Board of Directors on 20 February 2024 and signed on its behalf by:



**D A Binefa**

Director

Company number: 10605234

	Note	Called up share capital £m	Share premium account £m	Retained earnings £m	Share-based payment reserve £m	Foreign exchange reserve £m	Total equity £m
At 30 September 2021		22.8	205.0	(235.7)	1.8	(0.7)	(6.8)
Loss for the financial year		-	-	(70.3)	-	-	(70.3)
Other comprehensive income/(loss) for the financial year		-	-	0.5	-	(14.9)	(14.4)
Total comprehensive loss for the financial year		-	-	(69.8)	-	(14.9)	(84.7)
<i>Transactions with equity holders:</i>							
Share-based payment charge	10	-	-	-	0.7	-	0.7
<b>At 30 September 2022</b>		<b>22.8</b>	<b>205.0</b>	<b>(305.5)</b>	<b>2.5</b>	<b>(15.6)</b>	<b>(90.8)</b>
Loss for the financial year		-	-	(37.0)	-	-	(37.0)
Other comprehensive (loss)/income for the financial year		-	-	(0.1)	-	3.5	3.4
Total comprehensive loss for the financial year		-	-	(37.1)	-	3.5	(33.6)
Foreign exchange reserves transfer		-	-	(0.5)	-	0.5	-
<i>Transactions with equity holders:</i>							
Share-based payment charge	10	-	-	-	1.8	-	1.8
<b>At 30 September 2023</b>		<b>22.8</b>	<b>205.0</b>	<b>(343.1)</b>	<b>4.3</b>	<b>(11.6)</b>	<b>(122.6)</b>

**Tim Midco Limited**  
**Statement of cash flows for the financial year ended 30 September 2023**

		Year ended 30 September 2023	Year ended 30 September 2022
	Note	£m	£m
<b>Loss for the financial year</b>		<b>(37.0)</b>	<b>(70.3)</b>
<b>Adjusted for:</b>			
Depreciation and amortisation	17,18,19	70.0	64.6
Impairment of intangible assets	17	-	0.8
Impairment of trade receivables	20	-	0.1
(Profit)/loss on disposal of property, plant and equipment, leases and intangible assets		(1.2)	0.1
Profit restriction on sale and leaseback transactions		6.1	4.3
Share-based payment charge	10	1.8	0.7
Net foreign exchange differences not recorded within financial income or expenses	11	0.3	0.3
Financial income	14	(12.4)	(18.8)
Financial expenses	15	45.8	32.3
Taxation	16	8.5	(0.4)
<b>Operating cash flow before changes in working capital and provisions</b>		<b>81.9</b>	<b>13.7</b>
(Increase)/decrease in inventories		(8.5)	3.2
Decrease/(increase) in trade and other receivables		1.8	(17.5)
(Decrease)/increase in trade and other payables		(23.1)	83.9
Increase/(decrease) in provisions		11.1	(4.0)
<b>Cash flows generated from operations</b>		<b>63.2</b>	<b>79.3</b>
Interest received		11.2	1.0
Interest paid		(34.3)	(23.6)
Income taxes received		0.7	-
Income taxes paid		(4.0)	(5.1)
<b>Net cash flows generated from operating activities</b>		<b>36.8</b>	<b>51.6</b>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		6.3	2.9
Additions to property, plant and equipment	18	(23.2)	(18.1)
Additions to intangible assets	17	(7.5)	(6.8)
Settlement of loans provided to related parties		15.6	-
<b>Net cash flows used in investing activities</b>		<b>(8.8)</b>	<b>(22.0)</b>
<b>Financing activities</b>			
Decrease in other interest bearing receivables		0.3	0.3
Proceeds from new loans from third parties	31	68.6	47.1
Proceeds from new loan from parent company	31	-	20.0
Repayment of principal element of borrowings		(65.4)	(50.5)
Repayment of capital element of leases		(46.1)	(32.8)
<b>Net cash flows used in financing activities</b>		<b>(42.6)</b>	<b>(15.9)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(14.6)</b>	<b>13.7</b>
Effect of foreign exchange on cash held		(9.5)	23.9
Cash and cash equivalents at beginning of year		157.5	119.9
<b>Cash and cash equivalents at end of the year</b>	25	<b>133.4</b>	<b>157.5</b>

Details of restrictions on cash and cash equivalents are provided in Note 25. Movements in liabilities arising from financing activities are presented in Note 31. Details of cash flows arising from separately disclosed items are presented in Note 13.

## 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 that are listed in Note 33.

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 2023.

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 34.

The principal activity of the Group during the financial year was that of a tour operator and experiential holiday provider, comprising of more than ten specialist travel brands across the world. The principal activity of the Company was to act as a holding company.

## 2. Statement of compliance

The consolidated financial statements have been prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The consolidated financial statements were authorised for issue on 20 February 2024.

## 3. Basis of preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention as modified by financial instruments recognised at fair value. 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.

## 4. Going concern

Throughout the financial year, the Directors of the Company have continued to assess the Group's current and future cash levels and funding requirements. To do this, the Group prepares 13-week rolling cashflow forecasts, together with monthly forecasts for the remainder of the financial year ending 30 September 2024 ('FY24 forecast'), at divisional and Group level which, together with the Strategic Plan for FY25 (being the financial year ending 30 September 2025), enable good short term and longer term liquidity outlook. The latest FY24 forecast and FY25 Strategic Plan form the basis of the Directors' going concern assessment, with the term used in the assessment period being at least one year from the date of signing these financial statements.

The Group continues to have an interest-bearing loan of £20.0m that was provided to the Company by its parent, Travelopia Group Holdings Limited, in the first quarter of the financial year ended 30 September 2022. In addition, in the previous financial year, the Group's ultimate shareholder committed additional funds to the Group by way of an Equity Commitment Letter ('ECL'), in the event that this is needed. The ECL only expires at the earlier of: i) a sale by the ultimate shareholder; ii) the occurrence of a Relevant Event, (as defined in the Senior Facilities Agreement); or iii) 15 December 2025. As part of that additional funding, the Company Directors agreed amended terms of its banking facilities with its Senior Lenders, which extended the repayment dates of the Term Loan and Revolving Credit Facility to 15 December 2025 and 15 September 2025 respectively. Only interest payments on the Term Loan and Revolving Credit Facility are required to be paid within the going concern assessment period.

The Group must now comply again with the quarterly Net Debt to Adjusted EBITDA ratio covenant ('net debt covenant') test, which re-commenced for the financial year ended 30 September 2023, following a covenant testing holiday that began in 2020. This covenant test was met with ample headroom. The minimum liquidity covenant that was put in place of the net debt covenant was satisfied in full throughout the financial year. The Directors have also continued to give regular business updates throughout the financial year to the Group's Senior Lenders.

The Group has successfully navigated through the FY24 financial year to date without the need to draw on the ECL. The FY24 forecast and FY25 Strategic Plan assume continued growth in the Group's Adjusted EBITDA, without the return of any global travel restrictions. The key estimates that flow into these plans not only include the Group's expected revenues and costs (and hence Adjusted EBITDA), but also include assumptions around the Group's working capital cashflow cycle, planned capital expenditure and expected tax payments.

Two financial models have been prepared to forecast the Group's cash levels and headroom against the net debt covenant test over the going concern assessment period. Firstly, a base case model that is driven by the latest FY24 forecast from each of the Group's divisions and which incorporates current actual and projected trading levels. As customers book well ahead of departure, the Group's trading profile provides excellent visibility and increased certainty around future cash flows that is factored into this base case model. With greater certainty arising from actual bookings, fewer contingencies are required in the near term than when modelling periods further out. A second model was then prepared, which builds upon the base case model by including the effects of severe but plausible downside assumptions that sensitises the base case by reducing revenues (and related variable costs) over the assessment period by 20% across all divisions, commencing in the second half of FY24. In both models, within the going concern assessment period, the Group is expected to have sufficient free cash to pay all liabilities as they fall due, as well as meeting the quarterly net debt covenant tests.

Given the results of the modelling performed, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis of accounting.

## **5. 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 Directors believe 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 and policies 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, which are shared with our external stakeholders.

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, such as:

- 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
- Items that have been excluded from Adjusted EBITDA and instead included as Separately disclosed items may be judged by some as being appropriate to exclude and vice versa.



### **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 principally comprises of amortisation of business combination intangibles and employment related deferred consideration for the acquisition of businesses. Directly attributable acquisition and disposal costs are expensed in the consolidated income statement as incurred.

## **6. Accounting policies**

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

### **New standards, amendments and interpretations**

The narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and annual improvements on IFRS 9 and IFRS 16 have not had any impact on the Group's results in the current or previous financial year. Annual improvements to IFRS 1 and IAS 41 were not applicable to the Group.

- Amendments to IFRS 3 'Business combinations' updated 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 costs 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.

### **Amendment to IAS 12 – International tax reform – pillar two model rules**

This amendment gives temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendment has been endorsed and the exemption has been applied immediately.

### **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.

#### **(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) as the Directors consider this the most faithful depiction of transfer of services. 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. This deposit is not considered to contain an element of financing. 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 instead 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.

### 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 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.

### 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.

**v) Share-based payments**

Where shares are awarded to employees of the Group under the Management Equity Plan and the employees receive unconditional rights to the shares at a future date, this constitutes a share-based payment under IFRS 2. The fair value of the share-based payments are calculated using either a Black-Scholes or Monte-Carlo model as appropriate at the grant date and charged to profit and loss of the entity that receives the services over the vesting period. A corresponding adjustment is made to the share-based payment reserve on the basis that the employing entity does not have an obligation to settle the award.

Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of shares expected to vest.

**Financial income**

Financial income mainly comprises of interest income on loans to related parties and foreign exchange gains on derivative and non-derivative financial items and is recognised when earned.

**Financial expenses**

Financial expenses mainly comprises of interest expense on both borrowings and lease liabilities and foreign exchange losses on derivative and non-derivative financial items. 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 and group relief**

Current tax and group relief is the expected tax payable/receivable on the taxable income/losses 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 line which best reflects the substance of the transaction, whether that is financial income, financial expenses, cost of sales or administrative expenses. 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 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.

**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. Goodwill is not amortised but is instead tested for impairment annually.

**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.

In light of the publication of the clarification to IAS 38 in April 2021, the Group has adopted the clarification to its accounting policy in regard to software development in relation to software platforms that are operated in a “cloud” or “hosted” environment. In line with this clarification, the Group expenses implementation, configuration and customisation costs incurred in instance where it does not have control over the software code. Customisation costs where the Group has control over the software code continues to be capitalised and amortised over its useful life.

Where control can be demonstrated, 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

Brands 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.

#### (iii) 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
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.

#### 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 is 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:

Asset category	Asset	Policy
Land and buildings	Freehold properties	Up to 50 years
Land and buildings	Short leasehold improvements	Lease period or useful economic life if shorter
Ships, yachts and motor boats	Ultramarine ship	Hull - 30 years to 75% share of residual value,
		Engines and machinery - 20 years to 25% share of residual value
		Other components - 10 - 30 years
Ships, yachts and motor boats	Yachts	5 - 15 years
Ships, yachts and motor boats	Motor boats	15 - 24 years to 50% of residual value
Aircraft equipment	Aircraft equipment	Lease period
Computer equipment	Computer equipment	3 - 10 years
Other equipment	Other equipment	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 initially recognised at purchase price plus other directly attributable expenses and subsequently 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.

#### **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:

##### **IFRS 17 'Insurance Contracts'**

IFRS 17, 'Insurance Contracts' as amended in December 2021, is a comprehensive new financial reporting standard for insurance contracts covering recognition, measurement, presentation and disclosure. This is not expected to be relevant as the Group does not undertake transactions which fall within the scope of IFRS 17.

##### **Narrow scope amendment to IAS 1**

The amendment aims to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. This amendment only relates to disclosures and will be applicable for the financial year commencing 1 October 2023.

##### **Amendments to IAS 1 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. This amendment will be applicable for the financial year commencing 1 October 2024 but is currently not expected to have an impact on the Group.

##### **Amendment to IAS 12 'Deferred tax'**

The amendments to 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. This amendment will be applicable for the financial year commencing 1 October 2023 but is not expected to have an impact on the Group.

##### **Amendment to IFRS 16 – Leases on sale and leaseback**

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. This amendment will be applicable for the financial year commencing 1 October 2024 but is currently not expected to have an impact on the Group as it does not currently have leases with variable lease payments.

##### **Amendment to IAS 7 and IFRS 7 – Supplier finance**

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. This amendment will be applicable for the financial year commencing 1 October 2024 but is currently not expected to have an impact on the Group as the Group does not have supplier finance arrangements. This amendment has yet to be endorsed.

##### **Amendments to IAS 21 - Lack of exchangeability**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. This amendment will be applicable for the financial year commencing 1 October 2025 but is currently not expected to have an impact on the Group as the Group does not have transactions in foreign currencies where there is a lack of exchangeability. This amendment has yet to be endorsed.

**8. Critical judgements and key sources of estimation uncertainty**

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.

***Critical judgements*****Separately disclosed items**

Separately disclosed items are those significant items which in management's judgement are of sufficient relevance to require separate disclosure 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 £23.0m (2022: £16.4m) in the financial year ended 30 September 2023, of which £10.5m (2022: £0.7m) has arisen from Share-based payment charges and a charge for amounts that are expected to be payable when the current ownership structure ends. These charges have been recognised as separately disclosed items as they relate to the Group's ownership structure and not to underlying operations.

The Group has recognised separately disclosed costs of £3.0m (2022: £9.0m) due to Covid-19, all (2022: £3.1m) of which was in respect of an incremental Group-wide employee retention scheme that was run for a second and final year and which related to the re-commencement of operations at the end of the pandemic.

Separately disclosed items also include a £2.6m provision for repair costs to yachts for which the Group may be liable, further details of which are provided in Note 29. These costs are disclosed separately as they relate to a manufacturing issue that has arisen, as opposed to the core operations of the business.

**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. ships, boats and yachts). In particular, on acquisition of the Ultramarine polar expedition ship, the Directors were required to consider the extent to which the ship consisted of several different significant components, together with each components useful economic life and residual value. This required significant judgement and estimates to determine, for which the Directors obtained specialist independent advice. The total depreciation charge for the Ultramarine was £6.1m (2022: £5.9m), which is included within total depreciation for ships, yachts and boats of £15.2m.

The 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. The Group's boats have a residual value of 50% of original cost, whilst the Ultramarine is depreciated on a component basis to specific residual values, details of which are given in Note 6.

***Key sources of estimation uncertainty***

As disclosed in Note 10, an Exit Bonus has been agreed for a number of employees which will only be payable upon completion of a future Exit Event. The Exit Bonus will be settled in cash and is only payable if the value of the Travelopia Group at an Exit Event yields a financial return to its ultimate shareholder that is equal to, or greater than, the value of its initial investment. The total expected charge is recognised evenly from the date the bonus was awarded and the expected date of Exit Event, with £7.1m (2022: £nil) being charged to the consolidated income statement in the financial year ended 30 September 2023.

Measurement of the liability is assumption based, the most critical assumptions being the likely future value of the Travelopia Group (which has been calculated as a range of possible values, together with their likelihood) and the expected date of the Exit Event. The assumptions included within the calculation of the total liability will be updated at the end of each future reporting period. In the event that the financial return to its ultimate shareholder is less than the value of its initial investment, no Exit Bonus would be payable and all amounts previously charged to the consolidated income statement would be reversed in full.

As noted above, the Group has recognised a £5.0m provision (together with a £2.4m receivable) for yacht repair costs (and related recoveries) in the financial year ended 30 September 2023. Estimates and judgements have been made to calculate this provision, including the number of yachts that will require repair, the extent and cost of each repair and the timing of notification and subsequent repairs across the affected yachts. The assumptions included within the calculation of the total liability will be updated at the end of each future reporting period, which will be based upon the latest experience of faults and repair costs.

## 9. Revenue from contracts with customers

Revenue is analysed as follows:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Type of good or service</b>		
Sale of holidays	634.6	374.4
Sale of yachts and boats	102.0	80.1
<b>Total revenue from contracts with customers</b>	<b>736.6</b>	<b>454.5</b>
Sub-lease rental income	4.4	4.9
<b>Total revenues</b>	<b>741.0</b>	<b>459.4</b>

Sub-lease rental income related to the leaseback of one of TCS's leased aircraft (and included within leased aircraft and helicopters within Note 19) and which became superfluous to requirements. The contract ended during the financial year ended 30 September 2023 and therefore is not expected to continue in the coming financial year.

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Timing of revenue recognition</b>		
Over time	626.4	369.1
Point in time	110.2	85.4
<b>Total revenue from contracts with customers</b>	<b>736.6</b>	<b>454.5</b>

Total revenues for the financial year are analysed by division as follows:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Division</b>		
Adventure	48.2	20.5
Quark Expeditions	90.1	22.1
TCS	143.7	44.9
Yachts	272.5	226.2
Le Boat	42.2	44.4
Enchanting Travels	52.9	29.1
US Tour Operator	91.4	72.2
<b>Continuing operations</b>	<b>741.0</b>	<b>459.4</b>

**10. Employees****Average number of employees**

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

	Year ended 30 September 2023	Year ended 30 September 2022
Full time	1,770	1,341
Part-time	90	112
Temporary and seasonal	205	277
	<b>2,065</b>	<b>1,730</b>

Employee costs	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Wages and salaries	119.0	99.0
Social security costs	9.0	8.1
Pension costs: Defined contribution pension scheme cost	1.5	1.5
	<b>129.5</b>	<b>108.6</b>
Share-based payment and related charges	10.5	0.7
	<b>140.0</b>	<b>109.3</b>

Wages and salaries include £17.6m (2022: £9.6m) of costs which are also presented within Separately disclosed items in Note 13.

**Share-based payment and related charges**

On 15 June 2017, Kohlberg Kravis Roberts & Co L.P. ("KKR") indirectly acquired the entire share capital of Travelopia. Following the acquisition by KKR, Travelopia set up the Management Equity Plan ('MEP') in order to incentivise employees and align their reward structure with the growth ambitions of the directors of Travelopia and KKR.

Under the MEP, senior management and employees have been given the opportunity to invest indirectly in Travelopia, via Tim Topco Limited (the parent of Travelopia Group Holdings Limited) and Tim Manco L.P (the intermediate holding company of Tim Topco Limited).

The shares (known as 'B ordinary' and 'C ordinary' shares) issued in Tim Topco Limited (or partnership interests granted in Tim Manco L.P) under the MEP are subject to good, intermediate and bad leaver provisions and the holders of the shares are only able to realise value from the shares if they remain in employment until an exit event, being an IPO or change of control.

The MEP effectively operates as a share-based payment arrangement on the basis that Travelopia employees are awarded shares in Tim Topco Limited and partnership interests in Tim Manco L.P in exchange for their continued services.

During the financial year ended 30 September 2023, the Group's shareholder employees became eligible to purchase additional 'D ordinary' shares of Tim Topco Limited. The D ordinary shares under the MEP are also subject to good, intermediate and bad leaver provisions, and like the B and C ordinary shares, the shareholders are only able to realise value from the shares if they remain in employment until an exit event, being an IPO or change of control ('Exit Event').

The Group accounts for the award of B, C and D ordinary shares under the MEP as an equity-settled share-based payment scheme on the basis that Travelopia employees are awarded shares in Tim Topco Limited contingent on continued service. The total share-based payment charge for the financial year ended 30 September 2023 was £1.8m (2022: £0.7m). The aggregate number of B, C and D ordinary shares issued under the MEP was as follows:

	Year ended 30 September 2023 Number	Year ended 30 September 2022 Number *(restated)
Shares issued under the MEP at 1 October	450,344	450,344
Granted during the financial year	39,103	-
Forfeited during the financial year	(4,188)	-
Shares issued under the MEP at 30 September	485,259	450,344

\*The number of shares issued under the MEP at 1 October 2021 has been restated from 446,449 to 450,344.

The price paid at grant date for shares issued under the MEP was £84 per D ordinary share and £1 per B and C ordinary share and no further amounts are payable. Of the total number of shares outstanding at 30 September 2023, none (2022: none) had fully vested or were exercisable. The weighted average fair value of each share granted during the financial year ended 30 September 2023 was £13.83 (2022: £nil).

The following information is relevant in the determination of the fair value of the shares granted during the financial year under the MEP.

Share class	B Ordinary	C Ordinary	D Ordinary
Grant date	22 November 2022	22 November 2022	22 November 2022
Model used to value ordinary shares	Monte-Carlo	Monte-Carlo	Monte-Carlo
Exercise price	£1	£1	£84
Expected life (years)	1.5	1.5	1.5
Expected volatility	35%	35%	35%
Risk-free interest rate	3.15%	3.15%	3.15%
Fair value per share	£7.47	£7.47	£456.67

The volatility assumption, measured at the standard deviation of the expected share returns, is based on a statistical analysis of daily share prices over the expected vesting period. To facilitate the purchase of these shares, the Group provided an equity subscription award to MEP holders totalling £1.6m (2022: £nil), which has been recognised in accordance with IAS 19 as a short term benefit and included within the total share-based payment and related charges of £10.5m.

#### Exit bonus

During the financial year an exit bonus ('Exit Bonus') has been agreed for a number of MEP holders. This bonus will only be payable upon completion of a future Exit Event. The Exit Bonus will be settled in cash and is only payable if the value of the Travelopia Group at an Exit Event yields a financial return to its ultimate shareholder that is equal to, or greater than, the value of its initial investment.

The Exit Bonus has been judged to fall outside the scope of IFRS 2 as it is linked to the value of financial return for its ultimate shareholder and not directly to the price or value of the individual shares. The award has therefore been accounted for as a long-term benefit in accordance with IAS 19 'Employee benefits', which gives rise to a liability that has been recognised in these financial statements.

Measurement of the liability is assumption based, the most critical assumptions being the likely future value of the Travelopia Group (which has been calculated as a range of possible values, together with their likelihood) and the expected date of the Exit Event. The assumptions included within the calculation of the total liability will be updated at the end of each future reporting period. A charge of £7.1m has been recognised within administrative expenses and provisions in the financial year and is also presented within the Share-based payment and Exit Bonus related charges total of £10.5m (2022: £0.7m) as a separately disclosed expense, since the charges arise from the Group's ownership structure, as opposed to underlying, maintainable tour operations. The liability is included within non-current provisions as the expected date of an Exit Event has been assumed to be greater than one year from the balance sheet date.

**Key management compensation**

The Company has no employees or employee related costs. 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 2023 £m	Year ended 30 September 2022 £m
Aggregate emoluments	8.9	7.2
Other long-term benefits	2.8	3.9
Pensions benefits	0.1	0.1
	11.8	11.2
Share-based payment charge	1.7	0.3
	13.5	11.5

**Directors' remuneration**

The details of one Directors' remuneration is as follows:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Directors' remuneration	0.6	0.5
Other long-term benefits (Charge for cash-settled long term incentive plan)	0.2	0.2
	0.8	0.7
Share-based payment charge	0.1	-
	0.9	0.7

One (2022: one) Director of the Company was remunerated by a subsidiary within the Group during the financial year for services provided to the Group. Comparative information has been provided for the financial period prior to which the Group employee was a Director of the Company. The remaining two (2022: three) Directors received no remuneration from the Group during the financial year.

**11. Income, expenses and auditor's remuneration**

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Included within loss before tax from continuing operations in the consolidated income statement for the financial year are the following charges/(credits):</b>		
Depreciation of property, plant and equipment	22.6	20.4
Depreciation of right of use assets	38.2	35.5
Amortisation of intangible assets: other intangibles	7.3	6.9
Impairment of other intangible assets	-	0.8
Depreciation, amortisation and impairment on non-acquisition related assets	68.1	63.6
Amortisation of intangible assets: business combination intangibles	1.9	1.8
Total depreciation, amortisation and impairment charges in continuing operations	70.0	65.4
(Profit)/loss on disposal of property, plant and equipment, leases and intangible assets	(1.2)	0.1
Net foreign exchange differences not recorded within financial income or expenses	0.3	0.3
Impairment of trade receivables	0.1	0.1

**Services provided by the Company's auditor and its associates**

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

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £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	2.8	1.9
Auditor's remuneration for audit services	2.9	2.0
Non-audit services	0.1	0.1
Total fees paid to the Company's auditor	3.0	2.1

**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 2023 £m	Year ended 30 September 2022 £m
<b>Acquisition and disposal related items in operating loss</b>		
Amortisation of business combination intangibles (Note 11)	1.9	1.8
Remuneration arising from business combination	1.1	1.9
Other acquisition and disposal related items	-	0.3
	3.0	4.0

**13. Separately disclosed items**

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Covid-19 related costs	3.0	9.0
Yacht repair costs	2.6	-
Other exceptional operational costs	0.3	0.5
Share-based payment and Exit Bonus related charges (Note 10)	10.5	0.7
Charge for cash-settled long term incentive plan	3.9	3.9
Other costs and charges	2.7	2.3
<b>Separately disclosed items</b>	<b>23.0</b>	<b>16.4</b>

**Covid-19 costs**

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

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Group-wide employee retention scheme	3.0	3.1
Trip cancellation and related costs	-	5.9
	3.0	9.0

The Group has recognised separately disclosed costs of £3.0m (2022: £9.0m) due to Covid-19, all (2022: £3.1m) of which was in respect of an incremental Group-wide employee retention scheme that was run for a second and final year and which related to the re-commencement of operations at the end of the pandemic.



Yacht repair costs of £2.6m relate to a provision for which the Group may be liable, further details of which are provided in Note 29. These costs are considered exceptional as these relate to a manufacturing issue that has arisen, as opposed to the core operations of the business. The £3.9m (2022: £3.9m) charge for the cash-settled long term incentive plan relates to a one-off, multi-year incentive plan that would not be expected to form part of underlying, maintainable earnings under a different ownership structure or after the current plan has ceased.

All costs and income included within separately disclosed items were incremental to the underlying, maintainable running costs and income of the Group. Separately disclosed items within operating profit/loss are included within the consolidated income statement as follows:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Cost of sales	3.8	7.1
Distribution costs	1.1	0.8
Administrative expenses	18.1	8.5
	<b>23.0</b>	<b>16.4</b>

#### Other separately disclosed costs and charges

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

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
KKR & Co. Inc fees	0.8	0.8
M&A, legal and professional fees	1.4	0.4
Other costs and charges for one off/specific items	0.5	1.1
	<b>2.7</b>	<b>2.3</b>

Fees charged by KKR & Co. Inc of £0.8m (2022: £0.8m) have been included as a separately disclosed item since these are considered to be a charge based on the Group's current ownership structure and not from tour operations. All other items are considered to be one-off items in nature outside and incremental to the underlying, maintainable running costs of the Group.

Cash flows arising from separately disclosed items are included within cash flows from operating activities. Equity settled share-based payment charges of £1.8m (2022: £0.7m) are non-cash in nature, whilst the £7.1m Exit Bonus (Note 10) is only payable upon an Exit Event, considered to be after more than one year from the balance sheet date. Incremental yacht repair costs could be expected to be incurred over the next five years. The KKR & Co. Inc fees of £0.8m are payable on demand, but with no fixed date of payment. Charges totalling £3.0m for the incremental Group-wide retention scheme are payable in the financial year ending 30 September 2024. The £3.9m (2022: £3.9m) charge for the Group's cash-settled long term incentive bonus plan is expected to be paid in December 2024 (2022: December 2024). Cash flows in respect of the remaining separately disclosed items that were charged in the financial year ended 30 September 2023 largely occurred in the same financial year.

#### 14. Financial income

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Interest income on loans to related parties	5.0	3.1
Foreign exchange gains on non-derivative financial items	3.1	14.7
Gains on derivative financial instruments	2.9	-
Other interest income	1.4	1.0
<b>Financial income</b>	<b>12.4</b>	<b>18.8</b>

**15. Financial expenses**

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Bank and other interest payable	25.5	14.8
Facility fees and accretion of loan issue costs	0.9	1.0
Interest expense on lease liabilities	10.0	9.0
Foreign exchange losses on non-derivative financial items	6.9	4.1
Interest expense on loans from related parties	2.5	1.3
Losses on derivative financial instruments	-	2.1
<b>Financial expenses</b>	<b>45.8</b>	<b>32.3</b>

**16. Taxation**

The tax charge/(credit) for continuing operations can be summarised as follows:

**(i) Analysis of charge/(credit) in the financial year**

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Current tax charge/(credit)</b>		
UK group relief (receivable)/payable	(4.2)	1.3
UK corporation tax for the financial year	0.3	-
Non-UK tax for the financial year	3.0	1.8
Adjustment in respect of prior years	(0.5)	0.8
	<b>(1.4)</b>	<b>3.9</b>
<b>Deferred tax charge/(credit)</b>		
Origination and reversal of temporary differences:		
Current year non-UK	9.5	(2.5)
Adjustment in respect of prior years	0.4	(1.8)
	<b>9.9</b>	<b>(4.3)</b>
<b>Total income tax charge/(credit) in the consolidated income statement</b>	<b>8.5</b>	<b>(0.4)</b>

**(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 22%. The differences are explained below:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Loss before tax	(28.5)	(70.7)
Loss multiplied by the effective UK standard rate of tax of 22% (2022: 19%)	(6.3)	(13.4)
Effects of:		
Expenses not deductible for tax purposes	15.5	2.8
Income not taxable	(7.9)	(0.8)
Temporary differences not recognised as deferred tax	1.5	8.7
Different tax rates on overseas earnings	5.8	3.3
Adjustment in respect of prior years	(0.1)	(1.0)
<b>Total income tax charge/(credit) in the consolidated income statement</b>	<b>8.5</b>	<b>(0.4)</b>

**(iii) Factors affecting the future tax charge****UK Corporation tax**

The Group's future tax charge is primarily expected to follow the UK's corporation tax rate of 25%.

**17. Intangible assets**

	Goodwill £m	Brands £m	Beneficial contracts £m	Computer software £m	Software in development £m	Total £m
<b>Cost</b>						
At 30 September 2021	9.8	33.3	4.2	15.2	5.8	68.3
Additions	-	-	-	1.1	5.7	6.8
Transfers and reclassifications	-	-	-	9.8	(10.4)	(0.6)
Disposals	-	-	-	(1.2)	-	(1.2)
Foreign exchange	-	4.3	0.5	3.2	-	8.0
At 30 September 2022	9.8	37.6	4.7	28.1	1.1	81.3
Additions	-	-	-	-	7.5	7.5
Transfers and reclassifications	-	-	-	7.9	(7.9)	-
Disposals	-	-	-	(3.3)	-	(3.3)
Foreign exchange	-	(2.1)	(0.2)	(1.5)	-	(3.8)
<b>At 30 September 2023</b>	<b>9.8</b>	<b>35.5</b>	<b>4.5</b>	<b>31.2</b>	<b>0.7</b>	<b>81.7</b>
<b>Accumulated amortisation</b>						
At 30 September 2021	-	(7.6)	(1.2)	(3.9)	-	(12.7)
Provided in the financial year	-	(1.5)	(0.3)	(6.9)	-	(8.7)
Impairment loss	-	-	-	(0.8)	-	(0.8)
Disposals	-	-	-	1.1	-	1.1
Foreign exchange	-	(1.2)	(0.1)	(2.8)	-	(4.1)
At 30 September 2022	-	(10.3)	(1.6)	(13.3)	-	(25.2)
Provided in the financial year	-	(1.6)	(0.3)	(7.3)	-	(9.2)
Disposals	-	-	-	1.2	-	1.2
Foreign exchange	-	0.6	-	1.3	-	1.9
<b>At 30 September 2023</b>	<b>-</b>	<b>(11.3)</b>	<b>(1.9)</b>	<b>(18.1)</b>	<b>-</b>	<b>(31.3)</b>
<b>Net book value</b>						
At 30 September 2022	9.8	27.3	3.1	14.8	1.1	56.1
<b>At 30 September 2023</b>	<b>9.8</b>	<b>24.2</b>	<b>2.6</b>	<b>13.1</b>	<b>0.7</b>	<b>50.4</b>

Goodwill of £9.8m arose on the acquisition of the Enchanting Travel group. Amortisation of intangible assets of £9.2m (2022: £8.7m) 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 covers the next two financial years). In the medium 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 sufficient profitability levels in the medium term such that no impairment charge needs to be recognised in the current financial year. A growth rate of 2% (2022: 2%) has been used to extrapolate cash flow projections into perpetuity whilst a pre tax discount rate of 16.3% (2022: 18.3%) has been used. There was no reasonably possible change to these inputs which would cause an impairment charge to arise.

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

	Remaining amortisation period Years	30 September 2023 Brands £m	30 September 2022 Brands £m
Quark Expeditions	19	5.8	6.7
TCS World Travel	19	6.7	7.8
Enchanting Travels	11	2.8	3.1
The Moorings	14	2.8	3.0

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. Judgements and estimates are required to determine the most appropriate useful economic lives of each brand.

#### **Impairment testing**

As a result of the global pandemic, the carrying value of all assets within the scope of IAS 36 have been reviewed for impairment as at 30 September 2023. An impairment test has been performed on the recoverability of assets where an indicator of an impairment has arisen. With the exception of the Le Boat CGU, the recoverable amount has been based on a value in use basis, using the Group's formally approved FY23 Budget and Strategic Plan, which assumes profitability for FY24 continuing to increase from that seen in FY23 as demand growth continues but without such high fixed costs in the Group. Management uses its tour operating experience in estimating revenue and cost growth during this period to derive future cash flows. A growth rate of 2% has been used to extrapolate cash flow projections into perpetuity for each CGU whilst a pre-tax discount rate of between 11.8% and 18.1% has been used, dependent upon the CGU. 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 assets exceed their carrying values. There were no reasonably possible changes to these inputs which would cause an impairment charge to arise.

For the Le Boat CGU, the recoverable value was determined to be lower than the carrying value based upon a value in use basis. Accordingly, a fair value less cost to sell ('FVLCTS') methodology was determined and found to be higher than the carrying value and as such, no impairment arises. An earnings multiple valuation technique was used to determine FVLCTS, with the key estimates and assumptions used being the expected future maintainable earnings (being Adjusted EBITDA for the financial year ending 30 September 2024), 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. Using this methodology, there were no reasonably possible changes in assumptions in which an impairment charge would arise.

The Directors are satisfied that the recoverable value of all assets, including their brand values, exceed their respective book values.

**18. 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
<b>Cost</b>						
At 30 September 2021	34.4	234.8	10.5	2.9	15.9	298.5
Additions	0.1	6.9	1.0	0.3	9.8	18.1
Transfers and reclassifications	1.7	4.1	12.4	0.7	(18.3)	0.6
Disposals	(0.8)	(4.3)	-	(0.3)	-	(5.4)
Foreign exchange	11.8	28.6	5.6	0.8	0.8	47.6
At 30 September 2022	47.2	270.1	29.5	4.4	8.2	359.4
Additions	0.2	15.3	0.4	0.2	7.1	23.2
Transfers and reclassifications	3.7	4.4	-	0.7	(8.8)	-
Disposals	(0.8)	(8.3)	(0.9)	(0.6)	(0.3)	(10.9)
Foreign exchange	(6.0)	(14.6)	(2.6)	(0.4)	(0.8)	(24.4)
<b>At 30 September 2023</b>	<b>44.3</b>	<b>266.9</b>	<b>26.4</b>	<b>4.3</b>	<b>5.4</b>	<b>347.3</b>
<b>Accumulated depreciation</b>						
At 30 September 2021	(10.3)	(26.0)	(1.3)	(2.4)	(1.3)	(41.3)
Provided in the financial year	(1.4)	(14.9)	(3.2)	(0.4)	(0.5)	(20.4)
Disposals	0.5	2.0	-	0.2	-	2.7
Foreign exchange	(7.0)	(4.2)	(0.7)	(0.7)	(0.5)	(13.1)
At 30 September 2022	(18.2)	(43.1)	(5.2)	(3.3)	(2.3)	(72.1)
Provided in the financial year	(1.4)	(15.2)	(4.9)	(0.5)	(0.6)	(22.6)
Disposals	0.8	4.3	0.9	0.6	0.3	6.9
Foreign exchange	3.5	2.5	0.5	0.3	0.3	7.1
<b>At 30 September 2023</b>	<b>(15.3)</b>	<b>(51.5)</b>	<b>(8.7)</b>	<b>(2.9)</b>	<b>(2.3)</b>	<b>(80.7)</b>
<b>Net book value</b>						
At 30 September 2022	29.0	227.0	24.3	1.1	5.9	287.3
<b>At 30 September 2023</b>	<b>29.0</b>	<b>215.4</b>	<b>17.7</b>	<b>1.4</b>	<b>3.1</b>	<b>266.6</b>

**Other disclosures**

Other equipment includes assets under construction with both a cost and net book value of £1.4m (2022: £4.4m) as at 30 September 2023, which principally comprises of the final remaining redevelopment of the BVI yacht base (2022: the redevelopment of the BVI yacht base). During the financial year, additions to assets under construction totalled £6.8m (2022: £9.7m), which included £1.9m (2022: £2.5m) in relation to the redevelopment of the BVI yacht base and £3.5m (2022: £3.8m) of boat purchases. Including related amounts held at the start of the financial year, a total of £9.4m (2022: £18.3m) was transferred out of assets under construction and into the relevant asset categories on the dates the assets became fully operational during the financial year.

Details of the Group's impairment tests are provided in Note 17.

## 19. 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
<b>Cost</b>					
At 30 September 2021	17.1	117.9	38.6	0.3	173.9
Additions during the financial year	1.3	13.0	-	0.4	14.7
Modification of lease term	2.6	3.9	3.9	-	10.4
Disposals	(0.1)	(5.4)	-	-	(5.5)
Foreign exchange	2.2	18.1	8.4	-	28.7
At 30 September 2022	23.1	147.5	50.9	0.7	222.2
Additions during the financial year	0.8	18.7	-	0.2	19.7
Modification of lease term	6.5	11.1	2.2	-	19.8
Disposals	(1.2)	(28.3)	-	(0.1)	(29.6)
Foreign exchange	(1.2)	(9.5)	(4.3)	(0.1)	(15.1)
<b>At 30 September 2023</b>	<b>28.0</b>	<b>139.5</b>	<b>48.8</b>	<b>0.7</b>	<b>217.0</b>
<b>Accumulated depreciation</b>					
At 30 September 2021	(7.8)	(49.2)	(3.4)	(0.2)	(60.6)
Provided in the financial year	(4.1)	(25.4)	(5.9)	(0.1)	(35.5)
Disposals	-	4.6	-	-	4.6
Foreign exchange	(1.0)	(9.2)	(1.5)	0.1	(11.6)
At 30 September 2022	(12.9)	(79.2)	(10.8)	(0.2)	(103.1)
Provided in the financial year	(4.8)	(26.6)	(6.7)	(0.1)	(38.2)
Disposals	0.8	24.9	-	0.1	25.8
Foreign exchange	0.7	5.4	0.9	-	7.0
<b>At 30 September 2023</b>	<b>(16.2)</b>	<b>(75.5)</b>	<b>(16.6)</b>	<b>(0.2)</b>	<b>(108.5)</b>
<b>Net book value</b>					
At 30 September 2022	10.2	68.3	40.1	0.5	119.1
<b>At 30 September 2023</b>	<b>11.8</b>	<b>64.0</b>	<b>32.2</b>	<b>0.5</b>	<b>108.5</b>

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
<b>Lease liabilities</b>					
At 30 September 2021	(10.8)	(87.7)	(37.4)	(0.2)	(136.1)
Additions during the financial year	(1.3)	(17.4)	-	(0.4)	(19.1)
Repayments	5.1	27.6	8.9	0.2	41.8
Interest charged	(0.7)	(6.1)	(2.2)	-	(9.0)
Modification of lease term	(2.6)	(3.8)	(3.9)	-	(10.3)
Disposals	-	0.8	-	-	0.8
Foreign exchange	(1.1)	(12.8)	(6.3)	(0.1)	(20.3)
<b>At 30 September 2022</b>	<b>(11.4)</b>	<b>(99.4)</b>	<b>(40.9)</b>	<b>(0.5)</b>	<b>(152.2)</b>
Additions during the financial year	(0.8)	(24.8)	-	(0.2)	(25.8)
Repayments	5.7	40.6	9.6	0.2	56.1
Interest charged	(0.8)	(6.9)	(2.3)	-	(10.0)
Modification of lease term	(6.5)	(11.1)	(2.2)	-	(19.8)
Disposals	0.5	4.3	-	-	4.8
Foreign exchange	0.5	6.1	3.1	(0.1)	9.6
<b>At 30 September 2023</b>	<b>(12.8)</b>	<b>(91.2)</b>	<b>(32.7)</b>	<b>(0.6)</b>	<b>(137.3)</b>

**At 30 September 2023***Analysed as:*

Non-current	(8.5)	(61.6)	(25.5)	(0.4)	<b>(96.0)</b>
Current	(4.3)	(29.6)	(7.2)	(0.2)	<b>(41.3)</b>
	<b>(12.8)</b>	<b>(91.2)</b>	<b>(32.7)</b>	<b>(0.6)</b>	<b>(137.3)</b>

**At 30 September 2022***Analysed as:*

Non-current	(7.4)	(64.9)	(32.7)	(0.4)	(105.4)
Current	(4.0)	(34.5)	(8.2)	(0.1)	(46.8)
	<b>(11.4)</b>	<b>(99.4)</b>	<b>(40.9)</b>	<b>(0.5)</b>	<b>(152.2)</b>

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
<b>Number of leases</b>					
At 30 September 2021	89	539	4	31	663
Additions during the financial year	10	96	-	30	136
Disposals	(5)	(66)	-	(7)	(78)
<b>At 30 September 2022</b>	<b>94</b>	<b>569</b>	<b>4</b>	<b>54</b>	<b>721</b>
Additions during the financial year	8	126	-	12	146
Disposals	(7)	(138)	-	(13)	(158)
<b>At 30 September 2023</b>	<b>95</b>	<b>557</b>	<b>4</b>	<b>53</b>	<b>709</b>

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

	30 September 2023 £m	30 September 2022 £m
Less than one year	(50.3)	(55.0)
One to two years	(44.9)	(46.1)
Two to five years	(61.0)	(60.8)
More than five years	(4.6)	(12.7)
<b>Total contractual undiscounted lease liabilities</b>	<b>(160.8)</b>	<b>(174.6)</b>

#### Amounts recognised in the consolidated income statement

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Profit on sale and leaseback transactions	13.7	8.8
Depreciation of right-of use assets	38.2	35.5
Interest expense on lease liabilities (included in finance costs)	10.0	9.0
Expenses related to short-term leases (included in cost of sales and administrative expenses)	0.7	0.6

The total cost relating to leases of low-value assets and variable lease payments are considered to be immaterial. The expected charge for lease commitment for short-term leases in the year ending 30 September 2023 is £0.7m.

#### Cash outflows from leases

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Total cash outflows for leases (principal and interest repayments)</b>	<b>56.1</b>	<b>41.8</b>

#### 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 (also known as break) 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. Judgement and estimates have been applied to determine the appropriate lease term for those lease contracts that include an extension option, 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"). A number of the Group's yacht and boat bases in Europe and around the world are evergreen leases.

The assessment of whether the Group is reasonably certain to exercise an extension or termination option, or give notice on an evergreen lease would impact the value of lease liabilities and the respective right of use asset recognised in the balance sheet but would not materially impact net assets. There would also be smaller impacts on the depreciation charge on the right of use asset and interest on the lease liability in the consolidated income statement.



Management has used a two 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 Budget and Strategic Plan. Within this two 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 if the Group is reasonably certain that it will exercise the termination option. A two year period has been selected as the lease term for evergreen leases 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.

## 20. Trade and other receivables

	30 September 2023			30 September 2022		
	Current assets	Non-current assets	Total assets	Current assets	Non-current assets	Total assets
	£m	£m	£m	£m	£m	£m
Trade receivables, gross	6.4	-	6.4	7.9	2.8	10.7
Less: allowance for expected credit losses	(0.5)	-	(0.5)	(0.5)	-	(0.5)
	5.9	-	5.9	7.4	2.8	10.2
Receivables from related parties	1.1	0.2	1.3	-	2.2	2.2
Other receivables	9.1	6.8	15.9	8.8	11.8	20.6
	16.1	7.0	23.1	16.2	16.8	33.0
Third party prepayments and accrued income	55.9	0.3	56.2	43.1	0.3	43.4
Accrued income from related parties	-	-	-	9.0	-	9.0
Total prepayments and accrued income	55.9	0.3	56.2	52.1	0.3	52.4
<b>Total</b>	<b>72.0</b>	<b>7.3</b>	<b>79.3</b>	<b>68.3</b>	<b>17.1</b>	<b>85.4</b>

Current prepayments and accrued income of £9.0m in the prior year related to accrued, un-invoiced management charges due from fellow Travelopia Group subsidiary companies within the CAA ring-fenced group and have been presented separately to prepayments and accrued income with third parties. In the financial year ended 30 September 2023, the FY23 annual management charges had been invoiced with the outstanding amount of £1.1m being included in receivables from related parties, above.

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

	30 September 2023	30 September 2022
	£m	£m
United Kingdom	0.7	1.4
United States of America	3.1	5.9
Europe excluding United Kingdom	1.3	2.7
Rest of the World	1.3	0.7
<b>Total</b>	<b>6.4</b>	<b>10.7</b>

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

	30 September 2023	30 September 2022
	£m	£m
Balance at 1 October	0.5	0.7
Charged to the consolidated income statement	0.1	0.1
Released to the consolidated income statement	(0.1)	(0.3)
<b>Total</b>	<b>0.5</b>	<b>0.5</b>

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

	30 September 2023			30 September 2022		
	Gross carrying amount	Loss provision	Net	Gross carrying amount	Loss provision	Net
	£m	£m	£m	£m	£m	£m
Current	5.9	(0.4)	5.5	10.4	(0.5)	9.9
Up to 30 days past due	0.3	-	0.3	0.2	-	0.2
31-90 days past due	0.1	-	0.1	0.1	-	0.1
90-180 days past due	0.1	(0.1)	-	-	-	-
<b>Total</b>	<b>6.4</b>	<b>(0.5)</b>	<b>5.9</b>	<b>10.7</b>	<b>(0.5)</b>	<b>10.2</b>

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, these forming the inputs for estimating credit losses. Each division then determines the probability of default and loss in the event of default to arrive at the expected credit loss. Changes in these assumptions would not lead to a material change in the value of expected credit losses. Trade receivables also comprise of amounts due from merchant card acquirers and which are typically received immediately after the year end, thereby giving rise to no credit risk as at the date of signing these financial statements.

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.

## 21. Interest-bearing receivables

	30 September 2023	30 September 2022
	£m	£m
Interest-bearing loans to related parties	43.6	64.3
Other	1.2	1.5
	<b>44.8</b>	<b>65.8</b>

### Interest-bearing loans to related parties

In January 2021, the Group completed an internal restructure to segregate the Travelopia Group's 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 consideration in the form of interest-bearing loans payable to the Group. 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 has accrued on the loan at rates of between 6.75% and 9.75% (2022: 5.2%) during the financial year. During the financial year, £20.0m (2022: £nil) was repaid from the CAA Group following regulatory approval, whilst £5.7m was also repaid by the Company's parent, Travelopia Group Holdings Limited.

## 22. 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 31 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 Scheme's assets have been taken at market value whilst liabilities have been calculated using the following principal financial and demographic assumptions:

	30 September 2023	30 September 2022
	%	%
<i>Financial assumptions</i>		
Discount rate	4.10	3.75
Pensionable salary increases	3.35	3.40
Pension increases for deferred benefits	2.25	2.30

**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 2023 (2022: 2022) and 2043 (2022: 2042).

	30 September 2023	30 September 2022
	Years	Years
<i>Life expectancy</i>		
<b>Males</b>		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	22.1	21.9
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	24.3	24.2
<b>Females</b>		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	24.4	24.3
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	26.4	26.3

### Sensitivity analysis

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

	30 September 2023 £m	30 September 2022 £m
<b>Discount rate</b>		
Decrease in obligation due to increasing discount rate by 0.5%	(0.1)	(0.2)
Increase in obligation due to decreasing discount rate by 0.5%	0.2	0.2
<b>Demographic assumptions</b>		
<b>Mortality rate</b>		
Increase in obligation due to increasing life expectancy by 1 year	0.1	0.1

A change in the pensionable salary inflation of 0.5% would lead to a change in the defined benefit obligation of less than £0.1m (2022: less than £0.1m). 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 2023 (number)	30 September 2022 (number)
Active members	6	7
Pensioners	15	11
Deferred pensioners	25	29
<b>Total</b>	<b>46</b>	<b>47</b>

### Analysis of present value of defined benefit obligations

	30 September 2023 £m	30 September 2022 £m
Active members	0.9	0.9
Deferred members	0.5	0.5
Pensioners	0.6	0.7
<b>Total</b>	<b>2.0</b>	<b>2.1</b>

### Duration

The weighted average duration of the defined benefit obligation is 15 years (2022: 16 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 2023 £m	30 September 2022 £m
Within one year	-	0.1
Within two to five years	0.3	0.2
Between five and ten years	0.6	0.6
<b>Total</b>	<b>0.9</b>	<b>0.9</b>

## 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

24% (2022: 72%) 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 74% (2022: 19%) of the Scheme's assets in bonds as at 30 September 2023.

### 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 70% (2022: 69%) of the total liabilities. Inflation rate risk is partially mitigated by the investment of approximately 24% (2022: 73%) 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 is recognised in the balance sheet as follows:

	30 September 2023 £m	30 September 2022 £m
Present value of defined benefit obligations	(2.0)	(2.1)
Fair value of plan assets	2.8	3.0
<b>Net asset recognised in the balance sheet</b>	<b>0.8</b>	<b>0.9</b>

The Directors have satisfied themselves that the asset is recoverable on the Scheme's wind up and it is therefore appropriate to recognise the asset. A reconciliation of the Company's net defined benefit asset, analysed between the defined benefit obligation and plan assets is as follows:

	Present value of defined benefit obligation £m	Fair value of plan assets £m	Net defined benefit asset £m
At 30 September 2021	(2.9)	3.3	0.4
Actuarial gains arising from changes in financial liability assumptions	0.8	-	0.8
Return on plan assets greater than interest income	-	(0.3)	(0.3)
Total recognised in other comprehensive income	0.8	(0.3)	0.5
At 30 September 2022	(2.1)	3.0	0.9
Actuarial gains arising from changes in financial liability assumptions	0.1	-	0.1
Return on plan assets less than interest income	-	(0.2)	(0.2)
Total recognised in other comprehensive income	0.1	(0.2)	(0.1)
<b>At 30 September 2023</b>	<b>(2.0)</b>	<b>2.8</b>	<b>0.8</b>

**Assets**

The fair value of the Scheme's assets at 30 September 2023 was as follows:

	30 September 2023 £m	30 September 2022 £m
Equities	0.2	1.8
Government bonds	2.0	0.6
Absolute return funds	0.4	0.4
Other	0.2	0.2
<b>Total</b>	<b>2.8</b>	<b>3.0</b>

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.

**23. Deferred tax assets and liabilities**

	30 September 2023		
	Assets £m	Liabilities £m	Net £m
Acquisition related intangible assets	-	(7.2)	(7.2)
Other intangible assets, property, plant and equipment and right of use assets	7.4	(11.9)	(4.5)
Financial instruments	-	(0.7)	(0.7)
Other short-term temporary differences	19.8	(0.1)	19.7
Tax value of losses carried forward	7.0	-	7.0
<b>Total</b>	<b>34.2</b>	<b>(19.9)</b>	<b>14.3</b>
Set off of deferred tax within the same jurisdiction	(10.5)	10.5	-
<b>Net deferred tax assets</b>	<b>23.7</b>	<b>(9.4)</b>	<b>14.3</b>

	30 September 2022		
	Assets £m	Liabilities £m	Net £m
Acquisition related intangible assets	-	(8.1)	(8.1)
Other intangible assets, property, plant and equipment and right of use assets	9.1	(12.1)	(3.0)
Financial instruments	0.3	-	0.3
Other short-term temporary differences	31.5	(0.1)	31.4
Tax value of losses carried forward	6.8	-	6.8
<b>Total</b>	<b>47.7</b>	<b>(20.3)</b>	<b>27.4</b>
Set off of deferred tax within the same jurisdiction	(10.0)	10.0	-
<b>Net deferred tax assets</b>	<b>37.7</b>	<b>(10.3)</b>	<b>27.4</b>

Deferred tax assets totalling £14.3m (2022: £27.4m) have been recognised, of which £19.7m (2022: £31.4m) 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 FY24 and FY25. The Directors are confident that with the return of consumer demand and total net profitability of our US businesses; a pre-Covid 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.

Deferred tax on 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 2023 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 2022	Credited / (charged) to the consolidated income statement	Foreign exchange	30 September 2023
	£m	£m	£m	£m
Acquisition related intangible assets	(8.1)	0.5	0.4	(7.2)
Other intangible assets, property, plant and equipment and right of use assets	(3.0)	(1.2)	(0.3)	(4.5)
Financial instruments	0.3	(1.0)	-	(0.7)
Other short term temporary differences	31.4	(8.4)	(3.3)	19.7
Tax value of losses carried forward	6.8	0.2	-	7.0
<b>Total</b>	<b>27.4</b>	<b>(9.9)</b>	<b>(3.2)</b>	<b>14.3</b>

	30 September 2021	Credited / (charged) to the consolidated income statement	Foreign exchange	30 September 2022
	£m	£m	£m	£m
Acquisition related intangible assets	(6.5)	(0.7)	(0.9)	(8.1)
Other intangible assets, property, plant and equipment and right of use assets	0.8	(4.3)	0.5	(3.0)
Financial instruments	0.9	(0.8)	0.2	0.3
Other short term temporary differences	18.4	9.0	4.0	31.4
Tax value of losses carried forward	5.2	1.1	0.5	6.8
<b>Total</b>	<b>18.8</b>	<b>4.3</b>	<b>4.3</b>	<b>27.4</b>

#### Unrecognised deferred tax assets

The Group has not recognised £65.7m (2022: £60.3m) of deferred tax assets, £56.0m (2022: £53.2m) of which relates to tax losses carried forward. Whilst the Directors are confident of total Group 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. There is no expiry date on these unrecognised deferred tax assets.

#### 24. Inventories

	30 September 2023	30 September 2022
	£m	£m
Marine inventories	32.8	28.1
Other operating inventories	1.4	1.6
<b>Total</b>	<b>34.2</b>	<b>29.7</b>

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

**25. Cash and cash equivalents**

	30 September 2023 £m	30 September 2022 £m
Cash at bank - unrestricted	57.3	41.0
Cash at bank - restricted	76.0	116.3
Cash in hand	0.1	0.2
<b>Cash and cash equivalents</b>	<b>133.4</b>	<b>157.5</b>

Cash at bank of £76.0m (2022: £116.3m) is restricted, primarily due to travel regulatory requirements for US travel regulations for flights, whereby customer deposits are held in a separate escrow account that 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.

**26. Interest-bearing loans and borrowings**

	30 September 2023		
	Current liabilities	Non-current liabilities	Total
	£m	£m	£m
Secured bank loans	0.9	178.7	179.6
Asset-related loans	23.6	81.5	105.1
Interest-bearing loan from parent company	-	23.7	23.7
Other financial liabilities	3.7	5.9	9.6
<b>Total</b>	<b>28.2</b>	<b>289.8</b>	<b>318.0</b>

	30 September 2022		
	Current liabilities	Non-current liabilities	Total
	£m	£m	£m
Secured bank loans	0.8	177.3	178.1
Asset-related loans	15.3	95.3	110.6
Interest-bearing loan from parent company	-	21.2	21.2
Other financial liabilities	3.0	6.2	9.2
<b>Total</b>	<b>19.1</b>	<b>300.0</b>	<b>319.1</b>

**Secured bank loans**

The Group has a Senior Facilities Agreement with a syndicate of banks for a term loan facility of £100.0m (2022: £100.0m) with a maturity date of 15 December 2025 together with a revolving credit facility of £80.0m (2022: £80.0m) with a maturity date of 15 September 2025, of which £78.0m (2022: £78.0m) has been drawn in cash and £2.0m as a letter of credit facility. The 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 SONIA plus a fixed margin of 4.5% (2022: 4.5%). An additional payment in kind ('PIK') interest charge of 0.5% (2022: 0.5%) has also been added to the £100.0m term loan until September 2023 and rolled into the principal balance. The Group has taken out an interest rate swap with a notional amount of £50.0m in the financial year ended 30 September 2023 whereby the Group receives the variable interest on this notional balance (at GBP SONIA rate) and pays a fixed rate on this of 4.548%. The new interest rate swap commenced on 20 March 2023 and expires on 20 March 2025. Details of the Group's bank covenant tests are set out in Note 28.

The interest rate applicable for the revolving credit facility is at SONIA plus a fixed margin of 4.0% (2022: 4.0%).



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 as defined in the Senior Finance Agreement.

Of the £2.0m (2022: £2.0m) additional facility for letters of credit, £1.9m (2022: £2.0m) has been drawn at 30 September 2023. The total undrawn committed banking facilities of the Group at 30 September 2023 was therefore £0.1m (2022: £nil).

#### ***Asset-related loans***

The Group has entered into financing agreements to secure funding against its yachts and boats. External financing was also 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 2023 was £83.1m (2022: £95.4m). The loan is then presented within asset-related loans, net of financing costs of £1.8m, which are being accreted to the consolidated income statement over the period of the lease.

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 funding is also accounted for as a financial liability in accordance with IFRS 9.

To provide short term funding for purchasing yachts, Mariner International Travel, Inc has entered into a five year agreement with a third party, to provide loan financing of up to \$20.0m (2022: \$15.0m), this facility being increased by \$5.0m in the financial year. 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 2023 was £15.2m (2022: £6.5m) and is classified as a current liability. Each loan is secured against the purchased yacht.

#### ***Loan from parent company***

On 26 October 2021, the Company was 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 loan is unsecured, repayable in full on 2 August 2026 and bears interest at combined rate of 4% margin over SONIA plus costs. Unpaid interest is accumulated and compounded into the loan principal.

#### ***Other financial liabilities***

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

## 27. Trade and other payables

	30 September 2023		
	Current liabilities	Non-current liabilities	Total
	£m	£m	£m
Trade payables	18.3	-	18.3
Payables to related parties	2.7	-	2.7
Other payables	6.4	-	6.4
Other taxes and social security costs	4.7	-	4.7
Accruals and deferred income	56.7	11.0	67.7
Client money received in advance	268.9	18.6	287.5
<b>Total</b>	<b>357.7</b>	<b>29.6</b>	<b>387.3</b>

	30 September 2022		
	Current liabilities	Non-current liabilities	Total
	£m	£m	£m
Trade payables	10.0	-	10.0
Payables to related parties	0.7	-	0.7
Other payables	10.0	-	10.0
Other taxes and social security costs	4.5	-	4.5
Accruals and deferred income	63.2	10.8	74.0
Client money received in advance	319.0	22.0	341.0
<b>Total</b>	<b>407.4</b>	<b>32.8</b>	<b>440.2</b>

Client money received in advance totalling £287.5m (2022: £341.0m) has decreased as a result of a return of global travel in 2023 which resulted in higher revenues in the financial year.

## 28. 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 the Group's own flights and cruise expeditions is managed using forward commodity contracts. The Group is exposed to interest rate risk that arises principally from the Group's floating rate loans with external banks.

The Executive Leadership Team and Board of Directors have 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:

£1 GBP equivalent	Year ended 30 September 2023		Year ended 30 September 2022	
	Average rate	Closing rate	Average rate	Closing rate
US Dollar	1.22	1.22	1.29	1.12
Euro	1.15	1.15	1.18	1.14

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 2023, the Group's net exposure to foreign exchange risk was as follows:

Net foreign currency financial assets/(liabilities)	30 September 2023		30 September 2022	
	US\$m	EURm	US\$m	EURm
Cash, intra-group loans and trading balances	51.6	(76.2)	47.2	(50.0)
Derivative financial instruments	(27.8)	19.9	(25.7)	19.9
Total	23.8	(56.3)	21.5	(30.1)

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 2023		30 September 2022	
	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	1.7	1.3	1.6	1.6
Weakening of the US Dollar	(1.8)	(1.3)	(1.8)	(1.8)
Strengthening of the Euro	(4.7)	(3.5)	(2.5)	(2.5)
Weakening of the Euro	4.4	3.3	2.3	2.3

#### Commodity risk

Fuel commodity risk arises from the Group's operation of leased aircraft and polar expedition ships. As at 30 September 2023, the Group has hedged transactions for fuel of 14,201 (2022: 17,804) 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 have increased / decreased by £1.0m respectively.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations (i.e. fail to pay), 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 within and 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 2023 £m	Carrying value 30 September 2022 £m
Interest-bearing receivables	44.8	65.8
Trade receivables	5.9	10.2
Receivables from related parties	1.3	2.2
Other receivables	15.9	20.6
Cash and cash equivalents	133.4	157.5
Derivatives - contracts used for hedging	2.6	2.3
<b>Total</b>	<b>203.9</b>	<b>258.6</b>

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 20. Trade and other receivables are shown net of provision for bad and doubtful debts of £0.5m (2022: £0.5m).

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 25.

### Interest rate risk

Details of the Group's financial liabilities are disclosed in Note 27. The Group has managed its principal interest rate risk on its £100.0m external bank loan by taking out an interest rate swap for £50.0m in the financial year ended 30 September 2023 such that the Group receives the variable interest on this notional balance (at GBP SONIA rate) and pays a fixed rate on this of 4.548%. The swap agreement expires on 20 March 2025.

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	Carrying amount
				30 September 2023	30 September 2022
				£m	£m
Term loan	Sterling	SONIA + 4.5%^	2025	100.6	99.3
Revolving credit facility loan	Sterling	SONIA + 4.0%	2025	79.0	78.8
Ultramarine loan	USD	SOFR + 4.5%	2031	79.9	93.2
		1yr SOFR + 2.9% -			
Yachts-related loan	USD	1 yr SOFR + 3.25%*	2026	15.3	6.5
Boats-related loan	EUR	6.142%**	2028	9.9	10.9
Interest-bearing loan from parent company	Sterling	SONIA + 4.0%***	2026	23.7	21.2
	EUR, GBP				
Other (non-lease) financial liabilities	and USD	0%	2023 – 2029	9.6	9.2
<b>Total interest-bearing liabilities</b>				<b>318.0</b>	<b>319.1</b>
<i>Analysed between:</i>					
Zero rate liabilities				9.6	9.2
Fixed rate liabilities				59.9	10.9
Variable rate liabilities				248.5	299.0
				<b>318.0</b>	<b>319.1</b>

^ Additional PIK interest at 0.5% was 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 since this is a sale and leaseback arrangement with fixed quarterly repayments. As such, interest rate is considered fixed.

\*\*\* Incremental facility costs are also charged in arrears

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 simultaneous 100 basis points increase or decrease in UK and US interest rates would result in a £2.5m (2022: £3.0m) increase or decrease in interest expense (and hence increase in loss before tax) in the consolidated income statement and equity.

### 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 over the summer months and have a low in the first and second quarters of FY24. Cash positions, liquidity and available facility headroom are monitored on a weekly basis by Group management. At 30 September 2023, the Group had no (2022: no) available undrawn committed borrowing facilities from its Banks, though does have a commitment for additional funding from its ultimate parent entity, of up to £25.0m (2022: £25.0m), should this become necessary.

*Bank covenant*

On 28 September 2021, the Banks agreed to a two year extension of the net debt to Adjusted EBITDA covenant testing holiday until 30 September 2023. In the intervening period, the Group has had a liquidity covenant on the secured bank loan, which required a minimum level of cash to be retained in the Group. This covenant has been complied with for the whole of the financial year.

At 30 September 2023, the Group was required to meet a quarterly net debt to Adjusted EBITDA covenant, whereby net debt is no greater than 6.1 times annual Adjusted EBITDA. This test replaced the requirement for a minimum level of cash. For this test, the relevant figures for net debt and Adjusted EBITDA are defined within the Senior Facilities Agreement. The Group had significant headroom on this test at 30 September 2023. Going forward, the required ratio will reduce over a two year period. Any non-compliance with the bank covenant underlying the Group's financing arrangements could, if not waived, constitute an event of default.

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:

	Carrying amount £m	Total contractual cash flows £m	Contractual cash flows analysed as payable:			
			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
<b>30 September 2023</b>						
Secured bank loans	179.6	213.8	16.5	94.6	102.7	-
Asset-related financial liabilities	105.1	155.8	31.7	15.8	44.3	64.0
Interest-bearing loan from parent company	23.7	32.2	-	-	32.2	-
Other financial liabilities	9.6	9.6	3.7	1.3	2.9	1.7
Trade and other payables	88.1	88.1	81.8	6.3	-	-
<b>Total</b>	<b>406.1</b>	<b>499.5</b>	<b>133.7</b>	<b>118.0</b>	<b>182.1</b>	<b>65.7</b>

	Carrying amount £m	Total contractual cash flows £m	Contractual cash flows analysed as payable:			
			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
<b>30 September 2022</b>						
Secured bank loans	178.1	215.5	11.2	12.0	192.3	-
Asset-related financial liabilities	110.6	164.5	22.9	15.8	44.5	81.3
Interest-bearing loan from parent company	21.2	27.3	-	-	27.3	-
Other financial liabilities	9.2	9.2	3.0	2.1	3.1	1.0
Trade and other payables	87.4	87.4	80.0	0.8	6.6	-
<b>Total</b>	<b>406.5</b>	<b>503.9</b>	<b>117.1</b>	<b>30.7</b>	<b>273.8</b>	<b>82.3</b>

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 £39.8m (2022: £46.3m).

**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.

	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
<b>At 30 September 2023</b>				
<b>Assets</b>				
<i>Current:</i>				
Trade and other receivables	-	15.0	-	15.0
Receivables from related parties	-	1.1	-	1.1
Derivative assets	1.7	-	-	1.7
Cash and cash equivalents	-	133.4	-	133.4
<i>Non-current:</i>				
Trade and other receivables	-	6.8	-	6.8
Interest-bearing receivables	-	44.8	-	44.8
Receivables from related parties	-	0.2	-	0.2
Derivative assets	0.9	-	-	0.9
	2.6	201.3	-	203.9
<b>Liabilities</b>				
<i>Current:</i>				
Borrowings due within one year	-	-	(24.5)	(24.5)
Derivative liabilities	(1.8)	-	-	(1.8)
Other financial liabilities	-	-	(3.7)	(3.7)
Trade and other payables	-	-	(81.8)	(81.8)
<i>Non-current:</i>				
Borrowings due after more than one year	-	-	(260.2)	(260.2)
Interest-bearing loan from parent company	-	-	(23.7)	(23.7)
Other financial liabilities	-	-	(5.9)	(5.9)
Trade and other payables	-	-	(6.3)	(6.3)
	(1.8)	-	(406.1)	(407.9)

	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
At 30 September 2022				
<b>Assets</b>				
<i>Current:</i>				
Trade and other receivables	-	16.2	-	16.2
Derivative assets	2.3	-	-	2.3
Cash and cash equivalents	-	157.5	-	157.5
<i>Non-current:</i>				
Trade and other receivables	-	14.6	-	14.6
Interest-bearing receivables	-	65.8	-	65.8
Receivables from related parties	-	2.2	-	2.2
	2.3	256.3	-	258.6
<b>Liabilities</b>				
<i>Current:</i>				
Borrowings due within one year	-	-	(16.1)	(16.1)
Derivative liabilities	(4.1)	-	-	(4.1)
Other financial liabilities	-	-	(3.0)	(3.0)
Trade and other payables	-	-	(80.0)	(80.0)
<i>Non-current:</i>				
Borrowings due after more than one year	-	-	(272.6)	(272.6)
Derivative liabilities	(0.4)	-	-	(0.4)
Interest-bearing loan from parent company	-	-	(21.2)	(21.2)
Other financial liabilities	-	-	(6.2)	(6.2)
Trade and other payables	-	-	(7.4)	(7.4)
	(4.5)	-	(406.5)	(411.0)

The tables above exclude an analysis of lease liabilities, which is provided in Note 19.

#### 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 2023 are as follows:

	30 September 2023		30 September 2022	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
<b>Financial assets other than derivatives:</b>				
Interest-bearing receivables	44.8	44.8	65.8	65.8
Cash and cash equivalents	133.4	133.4	157.5	157.5
Trade and other receivables	22.0	22.0	30.8	30.8
Receivables from related parties	1.3	1.3	2.2	2.2
<b>Financial liabilities other than derivatives:</b>				
Secured bank loan	(179.6)	(178.0)	(178.1)	(178.0)
Asset-related financial liabilities	(105.1)	(105.1)	(110.6)	(110.6)
Interest-bearing loan from parent company	(23.7)	(23.7)	(21.2)	(21.2)
Other financial liabilities	(9.6)	(9.6)	(9.2)	(9.2)
Trade and other payables	(88.1)	(88.1)	(87.4)	(87.4)



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 2023 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 assets and 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 2023		
	Assets	Liabilities	Total
	fair value	fair value	fair value
	£m	£m	£m
Foreign exchange forwards	1.2	(1.8)	(0.6)
Commodity swaps	0.9	-	0.9
Interest rate swap	0.5	-	0.5
<b>Total</b>	<b>2.6</b>	<b>(1.8)</b>	<b>0.8</b>

*Analysed as:*

<b>Current</b>	<b>1.7</b>	<b>(1.8)</b>	<b>(0.1)</b>
<b>Non-current</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
	<b>2.6</b>	<b>(1.8)</b>	<b>0.8</b>

	30 September 2022		
	Assets	Liabilities	Total
	fair value	fair value	fair value
	£m	£m	£m
Foreign exchange forwards	2.2	(3.2)	(1.0)
Commodity swaps	0.1	(1.3)	(1.2)
<b>Total</b>	<b>2.3</b>	<b>(4.5)</b>	<b>(2.2)</b>

*Analysed as:*

<b>Current</b>	<b>2.3</b>	<b>(4.1)</b>	<b>(1.8)</b>
<b>Non-current</b>	<b>-</b>	<b>(0.4)</b>	<b>(0.4)</b>
	<b>2.3</b>	<b>(4.5)</b>	<b>(2.2)</b>

A gain in the value of derivatives of £2.9m (2022: loss of £2.1m) has been recognised in financial income (2022: financial expenses) 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 2023 and have been shown gross for each instrument.

	30 September 2023		30 September 2022	
	No later than 1 year £m	Later than 1 year and no later than 2 years £m	No later than 1 year £m	Later than 1 year and no later than 2 years £m
<b>Derivative financial assets</b>				
Foreign exchange forwards	0.8	-	2.2	-
Commodity swaps	0.6	0.4	0.1	-
Interest rate swap	0.2	0.1	-	-
	1.6	0.5	2.3	-
<b>Derivative financial liabilities</b>				
Foreign exchange forwards	(0.2)	-	(2.9)	(0.4)
Commodity swaps	(0.2)	-	(1.8)	-
	(0.4)	-	(4.7)	(0.4)
<b>Total</b>	<b>1.2</b>	<b>0.5</b>	<b>(2.4)</b>	<b>(0.4)</b>

#### 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 cash (Note 25), equity (Note 30) and related share premium and interest-bearing loans and borrowings (Note 26).

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.

#### 29. Provisions for liabilities

	Dilapidations £m	Exit Bonus £m	Other £m	Total £m
At 30 September 2021	1.6	-	6.0	7.6
Released in the financial year	(0.5)	-	(0.1)	(0.6)
Cash paid	-	-	(3.9)	(3.9)
Transfer from accruals	-	-	0.5	0.5
Foreign exchange	(0.1)	-	0.4	0.3
At 30 September 2022	1.0	-	2.9	3.9
Provided in the financial year	0.2	7.1	5.1	12.4
Cash paid	(0.3)	-	(0.7)	(1.0)
Transfer to accruals	-	-	(0.3)	(0.3)
<b>At 30 September 2023</b>	<b>0.9</b>	<b>7.1</b>	<b>7.0</b>	<b>15.0</b>

	Dilapidations £m	Exit Bonus £m	Other £m	Total £m
<b>At 30 September 2023</b>				
<i>Analysed as:</i>				
Non-current	0.9	7.1	0.1	8.1
Current	-	-	6.9	6.9
	<b>0.9</b>	<b>7.1</b>	<b>7.0</b>	<b>15.0</b>
	Dilapidations £m	Exit Bonus £m	Other £m	Total £m
<b>At 30 September 2022</b>				
<i>Analysed as:</i>				
Non-current	1.0	-	0.2	1.2
Current	-	-	2.7	2.7
	<b>1.0</b>	<b>-</b>	<b>2.9</b>	<b>3.9</b>

**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.

**Exit Bonus**

Details of the Exit Bonus are provided in Note 10.

**Other**

Other provisions relate to outstanding claims, 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. Included within the charge of £6.1m is a gross provision of £5.0m that has been recognised in the financial year for repair costs to yachts for which the Group is liable. The Group has also recorded a £2.4m receivable from the manufacturer in respect of the expected reimbursement of costs, as this amount is virtually certain to be recoverable as repair costs are incurred. This receivable is recognised within other receivables (Note 20). These costs are considered exceptional as these relate to a manufacturing issue that has arisen and for which the Group is responsible. Estimates and judgements have been made to calculate this provision, including the number of yachts that will require repair, the extent and cost of each repair and the timing of repairs across the affected yachts.

**30. Called up share capital**

	30 September 2023 £m	30 September 2022 £m
<b>Fully authorised, paid and issued</b>		
22,780,723 (2022: 22,780,723) ordinary shares of £1 each	<b>22.8</b>	<b>22.8</b>

**31. Movements in liabilities arising from financing activities**

	Bank and asset- related loans £m	Interest- bearing loan from parent company £m	Other financial liabilities £m	Total interest- bearing loans and borrowings £m	Lease liabilities £m	Total £m
<b>Financial liabilities</b>						
At 30 September 2021	273.3	-	8.0	281.3	136.1	417.4
Cash inflow in the financial year	45.7	20.0	1.4	67.1	-	67.1
Cash outflow in the financial year	(63.9)	-	(1.2)	(65.1)	(41.8)	(106.9)
Non-cash movements in the financial year	33.6	1.2	1.0	35.8	57.9	93.7
At 30 September 2022	288.7	21.2	9.2	319.1	152.2	471.3
Cash inflow in the financial year	66.1	-	2.5	68.6	-	68.6
Cash outflow in the financial year	(88.0)	-	(1.6)	(89.6)	(56.1)	(145.7)
Non-cash movements in the financial year	17.9	2.5	(0.5)	19.9	41.2	61.1
<b>At 30 September 2023</b>	<b>284.7</b>	<b>23.7</b>	<b>9.6</b>	<b>318.0</b>	<b>137.3</b>	<b>455.3</b>

Non-cash movements of bank and asset-related loans principally comprise of related interest charges together with foreign exchange movements on debt denominated in a currency other than UK Sterling. Details of the Group's lease liabilities, including changes in the financial year, are provided in Note 19. Details of loans and other financial liabilities are provided in Note 26.

**32. Capital and other financial commitments**

The Group's capital and other financial commitments at 30 September 2023 are as follows:

	30 September 2023 £m	30 September 2022 £m
<b>Total amount payable</b>		
<i>Purchases of property, plant and equipment:</i>		
Yachts	124.3	98.7
Boats	1.6	3.0
<b>Total capital commitments</b>	<b>125.9</b>	<b>101.7</b>
Aircraft service fees	19.8	22.3
<b>Total financial commitments contracted but not provided for</b>	<b>145.7</b>	<b>124.0</b>

Yacht purchases are primarily financed by asset-related loans, as detailed in Note 26 and subsequently sold to third parties within a short time frame. Aircraft service fees in respect of the two 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. Details of the Group's debt repayment profile is included in Note 28.

**33. Subsidiary undertakings at 30 September 2023**

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	US\$0.01 Common stock
Emerald Star Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	€1.25 Ordinary shares
Enchanting Africa Ltd	Kenya	Workshop Serviced Offices, Riara Road, P.O 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	United States	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	1000 - 120 Adelaide St. W., Toronto ON M5H 3V1, 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	Belmont Chambers, P.O. Box 3443, Road Town, Tortola, Virgin Islands, British	US\$100.00 Ordinary shares
FCM Yachts (USVI) LLC	Virgin Islands, US	5093 Dronningens Gade, Ste. 1, Charlotte Amalie, 00802, Virgin Islands, US	Not applicable
Gei-Moorings LLC	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Not applicable
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	Capitainerie 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\$0.01 Common Stock
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

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
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	€0.91686 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	Søren Frichs vej 38K, 1, 8230, Aabyhøj, Denmark	DKK100.00 Ordinary shares
MyPlanet International A/S	Denmark	Søren Frichs vej 38K, 1, 8230, Aabyhøj, Denmark	DKK1,000.00 Ordinary shares
MyPlanet Sweden AB	Sweden	Datavägen 14A, 436 32, Sisjön (Askim), 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 Australia PTY Limited	Australia	Level 8, 234 George Street, Sydney NSW 2000, Australia	AUD1.00 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	Sarphatistraat 650, 1018AV, 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	1st Floor, Allied Plaza, Francis Rachel Street, P.O. Box 1289 Victoria, Mahé, Seychelles	SCR100.00 Ordinary shares
Sunsail (Thailand) Co. Ltd	Thailand	113/1, Moo 6, Pakhiok Sub-district, Thalang District, Phuket Province, Thailand	THB100.00 Ordinary B shares and THB100.00 Preference A shares
Sunsail Adriatic d.o.o.	Croatia	Motarska 99, Split, 21000, Croatia	€5,176,140.00 Ordinary shares
Sunsail Hellas MEPE	Greece	AKARNANIAS 2 AND KONSTANTINOU MAHAIRA, LEFKADA, 31100 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 Marítimo 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	€0.1325 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
TIM Bidco 1 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 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, 3 <sup>a</sup> -2 <sup>a</sup> , 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	197 route de Tamié, 73200 GILLY SUR ISERE, 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
Yil, 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

### 34. Audit exemption provided to certain UK Group subsidiaries

The Company is providing certain wholly owned UK subsidiaries (as disclosed in Note 33) 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 2023:

Subsidiary	Company number
Crown Blue Line Limited	00946385
Crown Holidays Limited	01734244
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

### 35. Related party transactions

The Company is a direct subsidiary of Travelopia Group Holdings Limited, a company that is ultimately controlled by KKR & Co. Inc., a company incorporated in the United States of America. In addition to trading with Travelopia Group Holdings Limited and its parent companies, the Company and its subsidiaries also transact with a fellow group of companies that is wholly owned by Travelopia Adventure Limited, known internally as the 'CAA ring fenced group'. KKR & Co. Inc and its subsidiaries, Travelopia Group Holdings Limited and the CAA ring fenced group are each considered to be related parties.

During the financial year, management and consultancy fees totalling £0.8m (2022: £0.8m) were charged by KKR & Co, Inc and have been recognised in the consolidated income statement. At 30 September 2023, the Group has accrued £3.0m (2022: £2.3m) of management and consultancy fees that are expected to be invoiced by KKR & Co. Inc in due course.

The Group was owed £0.2m (2022: £2.2m) by Tim Topco Limited at 30 September 2023, having received £2.0m during the current financial year.

Details of the Company's interest-bearing loan with Travelopia Group Holdings Limited is provided in Note 26. The interest charge on this loan for the financial year ended 30 September 2023 was £2.5m (2022: £1.2m).

The Group had the following transactions and year end balances with the CAA ring fenced group. These transactions are covered by the Group's Deed of Undertaking with the CAA. Trade receivables and payable balances on trading items are required to be settled in cash on normal commercial terms, whilst the settlement of management and other cost recharges and the settlement of the loan and interest receivable in cash requires prior approval by the CAA.

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
<b>Consolidated income statement</b>		
<i>Income:</i>		
Management and other cost recharges	5.9	5.3
Bonding cost recharges	0.5	0.1
<i>Expenses:</i>		
Cost of sales - transport services	(0.9)	(0.9)
Staff cost recharges	(0.4)	-
<i>Financial income:</i>		
Interest receivable on intercompany loans	4.9	2.7
<b>Consolidated balance sheet</b>		
Accrued income receivable	-	9.0
Trade receivables (Note 20)	1.1	-
Income tax receivable - group relief	2.5	-
Trade payables (Note 27)	(2.7)	(0.7)
Income tax payable - group relief	(0.2)	(1.9)
Interest bearing loans receivable (Note 21)	43.6	58.6

In addition, Travelopia Holdings Limited ('THL'), a Group subsidiary, sold software assets and cloud computing services to a number of subsidiaries in the CAA ring-fenced group at cost, that are used wholly and exclusively by those subsidiaries, as THL acts as the primary Travelopia Group company for software development. The total cost of these assets and services was £4.1m (2022: £nil). Details of group relief in the consolidated income statement is disclosed in Note 16.

### 36. Post balance sheet events

On 12 December 2023, the Group acquired 100% of Kalos Holdings LLC and Kalos Tours, a US Group of companies delivering golf cruises, under the brand 'Kalos Golf'. The acquisition fits very well with the Group's strategy of being the world's leading experiential travel group and we are delighted to welcome Kalos Golf into the Group. The total acquisition price is expected to be up to US\$45.7m, of which US\$29.2m is payable in the financial year ending 30 September 2024. The Group continues to assess the fair value of the acquired balance sheet, details of which will be included in the Group's consolidated financial statements for the financial year ending 30 September 2024. As such, at the date of signing these financial statements, the value of goodwill and acquisition-related intangible assets is currently unknown. Accordingly, the disclosure of this information in this set of consolidated financial statements is impracticable, as defined by IFRS 3.



**37. 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'), a United States company listed on the New York Stock Exchange, 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.

**38. Reserves**

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

<b>Reserve</b>	<b>Description and purpose</b>
Share premium account	Amount arose on the initial issuance of share capital in 2017 and reflects the premium paid for the shares issued in excess of the shares' nominal value.
Share-based payment reserve	Reflects the share-based payment charges for equity settled share-based transactions.
Foreign exchange reserve	Includes the retranslation of the net assets of overseas (i.e non-UK) subsidiaries.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

**Tim Midco Limited**  
**Company balance sheet as at 30 September 2023**

		<b>30 September 2023 £m</b>	<b>30 September 2022 £m</b>
	<b>Note</b>		
<b>Non-current assets</b>			
Investments in subsidiary undertakings	C	<b>73.4</b>	73.4
Interest bearing receivable	D	<b>23.6</b>	21.1
<b>Total assets</b>		<b>97.0</b>	94.5
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	E	<b>(23.7)</b>	(21.2)
<b>Total liabilities</b>		<b>(23.7)</b>	(21.2)
<b>Net assets</b>		<b>73.3</b>	73.3
<b>Equity</b>			
Called up share capital	F	<b>22.8</b>	22.8
Share premium account		<b>205.0</b>	205.0
Retained deficit		<b>(154.5)</b>	(154.5)
<b>Total equity attributable to equity holders of the parent</b>		<b>73.3</b>	73.3

The loss after tax for the financial year was £nil (2022: £20.8m). The notes on pages 75 to 77 form part of the Company's financial statements.

The financial statements on pages 73 to 77 were approved by the Board of Directors on 20 February 2024 and were signed on its behalf by:



**D A Binefa**  
**Director**

Company Number: 10605234

**Tim Midco Limited**  
**Company statement of changes in equity as at 30 September 2023**

	<b>Called up share capital £m</b>	<b>Share premium account £m</b>	<b>Retained earnings £m</b>	<b>Total equity £m</b>
At 30 September 2021	22.8	205.0	(133.7)	94.1
Loss and total comprehensive expense for the financial year	-	-	(20.8)	(20.8)
At 30 September 2022	22.8	205.0	(154.5)	73.3
Result and total comprehensive result for the financial year	-	-	-	-
<b>At 30 September 2023</b>	<b>22.8</b>	<b>205.0</b>	<b>(154.5)</b>	<b>73.3</b>

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. The Company's principal place of business is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom.

## **A. Accounting policies and basis of preparation**

### **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 hundred thousand 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 £nil (2022: £20.8m) 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 following disclosures:

- Cash flow statement and financial instrument disclosures (IAS 7);
- Financial instrument: Disclosures (IFRS 7); and
- Fair value measurements (IFRS 13);

### **Accounting policies**

#### **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.

#### **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 Company's business model for managing them. Financial assets comprise of an interest bearing receivable from an indirect subsidiary undertaking and is initially measured at its transaction price and subsequently measured at amortised cost. The Company 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.

### 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 comprise of an interest bearing loan from the Company's immediate parent company. The Company 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. 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.

Both the interest bearing receivable and interest bearing loan are presented within non-current liabilities in the consolidated balance sheet, as determined by the period in which they are expected to be recovered/settled respectively.

### 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 judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Directors do not consider there to be any critical judgements or key sources of estimation uncertainty for the financial year ended 30 September 2023.

## C. Investments

	Shares in subsidiaries £m
<b>Cost</b>	
At 30 September 2022 and 30 September 2023	<b>227.8</b>
<b>Impairment</b>	
At 30 September 2022 and 30 September 2023	<b>(154.4)</b>
<b>Net book value</b>	
At 30 September 2022 and 30 September 2023	<b>73.4</b>

A list of the Company's direct and indirect subsidiaries and their principal places of business are included within Note 33 of the consolidated financial statements. There have been no additions to, or disposals of, the Company's investments during the financial year.

The Directors have concluded that there was no indicator of impairment to the cost of investment in the Company's subsidiary at 30 September 2023.

## D. Interest-bearing receivable

	30 September 2023 £m	30 September 2022 £m
Interest-bearing loan to subsidiary undertaking (Note E)	<b>23.6</b>	<b>21.1</b>

**E. Interest-bearing loans and borrowings**

	30 September 2023 £m	30 September 2022 £m
Interest-bearing loan to parent	23.7	21.2

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 loan is unsecured, repayable in full on 2 August 2026 and bears interest at combined rate of 4% margin over SONIA plus costs. Interest accrues on this loan and is payable in full on maturity, if not settled prior to that date. The full amount received of £20.0m was subsequently onward lent in tranches to a subsidiary undertaking on the same terms.

**F. Called up share capital**

	30 September 2023 £m	30 September 2022 £m
<b>Authorised, issued and fully paid</b>		
22,780,723 (2022: 22,780,723) ordinary shares of £1 each	22.8	22.8