

Radical Travel Group Limited

Annual report and financial statements

Registered number SC136334

For the year ended 31 December 2022



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company during the year was the operation of coach tours.

These accounts have been prepared in accordance with the provisions of the small companies' regime as defined in the Companies Act 2006 and accordingly the directors have chosen not to present a strategic report.

Business review

Both the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be maintained for the foreseeable future.

Results and dividends

The profit for the year after taxation was £114,034 (2021: £343,332 loss). The directors do not recommend the payment of a dividend (2021: £nil).

Financial instruments

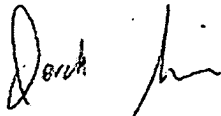
Details of the company's financial risk management objectives and policies are included in note 22 to the financial statements.

Directors

The directors who held office during the year were as follows:

DID Howie
CG Ward

By order of the board



Derek Howie
Secretary
12 September 2023

Atholl Exchange
6 Canning Street
Edinburgh
EH3 8EG

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK-adopted international 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of comprehensive income
for the year ended 31 December 2022

	<i>Note</i>	2022 £	2021 £
Revenue	2	4,490,341	1,018,333
Cost of sales		(3,086,224)	(863,054)
Gross profit		1,404,117	155,279
Administrative expenses		(1,301,834)	(822,127)
Other operating income	3	25,741	321,967
Operating profit / (loss)	4	128,024	(344,881)
Finance income	7	1,440	45
Finance expenses	8	(8,841)	(7,839)
Profit / (loss) before taxation		120,623	(352,675)
Taxation	9	(6,589)	9,343
Profit / (loss) for the year		114,034	(343,332)
Total comprehensive income / (loss) for the year		114,034	(343,332)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 28 form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2022

	Share capital £	Retained Earnings £	Total £
Balance at 1 January 2021	15,100	1,476,143	1,491,243
Total comprehensive loss for the year	-	(343,332)	(343,332)
Dividends received	-	101,379	101,379
Balance at 31 December 2021	15,100	1,234,190	1,249,290
Total comprehensive income for the year	-	114,034	114,034
Balance at 31 December 2022	15,100	1,348,224	1,363,324

The notes on pages 8 to 28 form an integral part of these financial statements.

Statement of financial position
as at 31 December 2022

	<i>Note</i>	2022 £	2021 £
Non-current assets			
Plant and equipment	10	1,390,546	1,432,793
Investments	11	2	320,002
Total non-current assets		1,390,548	1,752,795
Current assets			
Inventory	13	4,068	11,392
Amounts due from related parties	14	344,660	301,726
Trade and other receivables	15	458,513	344,357
Cash and cash equivalents	16	1,059,598	506,591
Total current assets		1,866,839	1,164,066
Total assets		3,257,387	2,916,861
Non-current liabilities			
Loans and borrowings	20	325,043	305,899
Deferred tax liabilities	12	97,796	91,207
Total non-current liabilities		422,839	397,106
Current liabilities			
Amounts due to related parties	17	851,381	938,828
Trade and other payables	18	451,929	214,053
Loans and borrowings	20	167,914	117,584
Total current liabilities		1,471,224	1,270,465
Total liabilities		1,894,063	1,667,571
Net assets		1,363,324	1,249,290
Equity			
Share capital	21	15,100	15,100
Retained earnings		1,348,224	1,234,190
Total equity		1,363,324	1,249,290

The notes on pages 8 to 28 form an integral part of these financial statements.

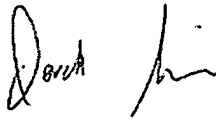
Statement of financial position (*continued*)

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors on 12 September 2023 and were signed on its behalf by:



Derek Howie
Director

Statement of cash flows
for the year ended 31 December 2022

	<i>Note</i>	2022 £	2021 £
Cash flows from operating activities			
Profit / (loss) for the year		114,034	(343,332)
<i>Adjustments for:</i>			
Depreciation	<i>10</i>	134,562	169,528
RoU asset depreciation	<i>23</i>	132,354	117,174
Finance income	<i>7</i>	(1,440)	45
Finance expense	<i>8</i>	8,841	7,839
Loss on sale of property, plant and equipment		3,219	203
Taxation	<i>9</i>	6,589	(9,343)
		398,159	(57,886)
Decrease / (increase) in inventories		7,324	(5,347)
Increase in trade and other receivables	<i>15</i>	(114,156)	(117,874)
(Increase) / decrease in amounts due from related parties	<i>14</i>	(42,934)	317,144
Increase in trade and other payables	<i>18</i>	237,876	53,051
(Decrease) / increase in amounts due to related parties	<i>17</i>	(87,447)	66,308
Net cash from operating activities		398,822	255,396
Cash flows from financing activities			
Payment of lease liabilities		60,634	(123,520)
Net cash from financing activities		60,634	(123,520)
Cash flows from investing activities			
Disposal of investments		320,000	8
Acquisition of property, plant and equipment	<i>10</i>	(26,397)	(5,540)
Acquisition of ROU assets		(221,802)	-
Disposal of ROU assets		20,310	-
Interest received	<i>7</i>	1,440	(40)
Dividends received		-	101,379
Net cash from investing activities		93,551	95,802
Net increase in cash and cash equivalents		553,007	227,678
Cash and cash equivalents at beginning of year	<i>16</i>	506,591	278,913
Cash and cash equivalents at end of year	<i>16</i>	1,059,598	506,591

The notes on pages 8 to 28 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Radical Travel Group Limited ("the company") is a private company incorporated, domiciled, and registered in Scotland. The registered number is SC136334 and the registered address is Atholl Exchange, 2nd Floor 6 Canning Street, Edinburgh, EH3 8EG.

The company financial statements have been prepared and approved by the directors in accordance with international accounting standards in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") and the historical cost convention.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Group has adopted the following IFRSs in these financial statements:

- Amendments to IFRS 16: Leases Covid-19 Related Rent Concessions has been adopted. The amendment introduces an optional practical expedient for leases in which the Group is a lessee. For leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The details of the accounting policies are disclosed in these accounting policies and see also note 19 for related disclosures.

Consolidation

The company has taken the exemption not to present consolidated accounts under section 400 of the Companies Act 2006, as the Company is consolidated into the accounts of its intermediate parent, Insight Group Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Insight Group Limited are available to the public from the Registrar of Companies.

Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company manages its day to day and medium-term funding requirements through cash balances. These cash balances are forecast to provide sufficient liquidity to finance ordinary course of business.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, even in downside cases, through funding from its ultimate parent company The Travel Corporation Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Travel Corporation Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £851,381 and providing additional financial support during that period. The Travel Corporation Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes *(continued)*
(forming part of the financial statements)

1 **Accounting policies** *(continued)*

Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors do not consider there to be any significant areas of estimation uncertainty in relation to these financial statements.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to revenue recognition. The Directors have made the judgement to recognise revenue in full on the departure date of the tour. This policy also applies to cancellation revenue, which is not recognised until the departure date.

Revenue

The Company applies the following five step model;

- Identification of a contract to provide tour and agency services
- Identification of performance obligations within that contract
- Determination of the transaction price as outlined within the contract for the provision of tour and agency services
- Allocation of the transaction price to the performance obligations as outlined within the contract and
- Recognition of revenue

For each performance obligation, the company identifies whether it has been satisfied at a point in time or over time based upon an evaluation of the receipt and consumption of benefits and enforceable payment rights associated with that obligation. The Company's agreements with customers do not contain complex terms or separately identifiable performance obligations outside delivering tour services to customers and providing agency services to customers. The performance obligation is the supply of services to the customer and therefore the transaction price relates to this performance obligation.

Revenue represents the income earned from the provision of coach tours and acting as a sales agent. Revenue is recognised at the point in time at which the tour departs.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the income statement. Exchange differences arising on non-monetary items, carried at fair value, are included in the income statement, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Non-derivative financial instruments (continued)

Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company's financial assets are in this category. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment losses represent allowances for expected credit losses over the lifetime of the financial asset (ECLs). Loss allowances for trade receivables and other receivables such as amounts due to related parties are always measured at an amount equal to lifetime ECL

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|-------------------------|------------|
| • Leasehold property | 7-18 years |
| • Fixtures and fittings | 3-5 years |
| • Motor vehicles | 5 years |
| • Computer equipment | 3-4 years |

Inventory

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Employee benefits

Defined benefit plans

The company participates in a group defined benefit pension scheme, which was closed to new members from 1 May 2004 and closed to further accrual from 1 May 2011. The assets of the scheme are held separately from those of the company in separate trustee administered funds. The pension scheme is a group plan and Radical Travel Group Ltd is a participating employer. The ultimate holding company has signed a guarantee taking full responsibility for the pension liability such that, should the pension scheme ultimately conclude with insufficient funds, then this company will accept the liability and contribute the funds. The net defined benefit liability of the pension scheme is therefore recognised fully by the ultimate holding company. Consequently, the scheme is accounted for as a defined contribution scheme and obligations for contributions are recognised as an expense in the income statement as incurred.

Defined contribution plans

From 1 May 2004 the company participated in a group defined contribution scheme. The assets of the scheme are held separately from those of the company in separate trust administered funds.

The company also contributes to a multi-employer, defined contribution occupational pension scheme for certain employees. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on 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; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases, and interest receivable on funds invested that are recognised in the income statement

Interest income and interest payable is recognised in income statement as it accrues, using the effective interest method.

Capital Management

The company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The company has no external debt as at 31 December 2022 and is not subject to externally imposed capital requirements; management of capital therefore focuses around its ability to generate cash from its operations.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Government Grants

During the year, the company was awarded one government grant. This amounted to £6,800 and related to the Visit Scotland Days Out Fund. This grant was recognised in profit or loss in full and presented in 'other income' when it became receivable. There is no outstanding balance of deferred income related to this grant as at 31 December 2022.

IFRS 16 'Leases'

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

As a lessee

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Standards, amendments and interpretations adopted during the period (continued)

IFRS 16 'Leases' (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Rent concessions occurring as a direct consequence of COVID 19 are recognised in profit or loss within other income.

Standards, amendments and interpretations adopted during the period

The Company has adopted the following standards, amendments and interpretations which have not had a significant impact on the Company's results:

Amendment to IFRS 16 COVID-19-Related Rent Concessions

On 28 May 2020, the IASB published an amendment to IFRS 16 adding a practical expedient which allows a lessee to elect not to assess whether a COVID 19 related rent concession is a lease modification. No practical expedient is available to lessors. A lessee that makes this election accounts for any change in lease payments resulting from the COVID 19 related rent concession in the same way that it would account for the change if it were not a lease modification in accordance with IFRS 16.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID 19 and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- there are no substantive changes to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020.

The Group has opted to apply the practical expedient to all rent concessions that meet the above conditions.

Lease concessions received of £15,855 have been recognised in profit or loss within other income which reflects the changes in lease payments arising from rent concessions to which the Group has applied the IFRS 16 practical expedient.

Notes (continued)
(forming part of the financial statements)

2 Revenue

Revenue represents the income earned from travel arrangements net of any discounts.

Revenue is recognised at the point in time at which the tour departs. Income received in respect of tours with a starting date in future accounting periods is treated as deferred revenue on the balance sheet.

In the following table, revenue is disaggregated by major service lines.

	2022 £	2021 £
Major service lines		
Tours	3,161,772	904,269
Agencies	1,328,569	114,064
	<u>4,490,341</u>	<u>1,018,333</u>

The company has no contract assets. The company has trade receivables £95,535 (2021: £30,259) as disclosed in note 15. The contract liabilities of £198,499 (2021: £83,664) relate to the advance consideration received from customers for provision of travel arrangements at a future date, the balance is included in amounts in note 18. The amount of revenue recognised in current period that was included in the contract liability balance at the beginning of the period was £83,664 (2021: £38,306).

3 Other operating income

	2022 £	2021 £
Lease concessions	15,855	15,855
Government grants	6,800	193,000
Commission and merchandise	3,086	13
Government payroll support	-	113,099
	<u>25,741</u>	<u>321,967</u>

4 Expenses

	2022 £	2021 £
<i>Included in the loss for the year are the following:</i>		
Depreciation of plant and equipment	<u>134,562</u>	<u>169,529</u>

Notes (continued)
(forming part of the financial statements)

5 Staff numbers and costs

The average number of persons employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Administrative	4	3
Sales	7	6
Operations	19	12
	<u>30</u>	<u>21</u>

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£	£
Wages and salaries	900,908	550,595
Social security costs	87,642	51,681
Other pension costs	96,138	60,503
	<u>1,084,688</u>	<u>662,779</u>

6 Directors' emoluments

	2022	2021
	£	£
Directors' emoluments	101,431	75,473
Company contributions to defined contribution scheme	8,160	8,160
	<u>109,591</u>	<u>83,633</u>

7 Finance income

	2022	2021
	£	£
Bank interest receivable	1,440	45

8 Finance expenses

	2022	2021
	£	£
Finance charges including interest expense on lease liabilities	8,841	7,839

Notes (continued)
(forming part of the financial statements)

9 Taxation

Recognised in the income statement.

	2022 £	2021 £
<i>Current tax expense</i>		
Current year	-	-
Prior year adjustment	-	-
	<hr/>	<hr/>
Current tax expense	-	-
<i>Deferred tax expense</i>		
Origination of timing differences	6,589	(9,343)
	<hr/>	<hr/>
Deferred tax expense	6,589	(9,343)
	<hr/>	<hr/>
Total tax in income statement	6,589	(9,343)
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of effective tax rate:

	2022 £	2021 £
<i>Current tax reconciliation</i>		
Profit / (loss) on ordinary activities before tax	120,623	(352,675)
	<hr/>	<hr/>
<i>Effects of:</i>		
Tax using UK corporation tax rate of 19% (2021: 19%)	22,918	(67,008)
	<hr/>	<hr/>
Non-deductible expenses and allowances	(22,918)	67,008
	<hr/>	<hr/>
Current tax expense	-	-
	<hr/>	<hr/>
Provision for deferred tax	6,589	(9,343)
	<hr/>	<hr/>
Total tax in income statement	6,589	(9,343)
	<hr/> <hr/>	<hr/> <hr/>

On 24 May 2021, the UK corporation rate of 25% (effective 1 April 2023) was substantively enacted, increasing from the current rate of 19%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2022 has been calculated at 25% (2021: 19%) given this rate was substantively enacted.

Notes (continued)
(forming part of the financial statements)

10 Plant and equipment

	Leasehold Property £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
<i>Cost</i>					
Balance at 1 January 2021	789,240	266,368	208,662	1,839,931	3,104,201
Additions	-	3,644	1,896	-	5,540
Disposals	-	-	(1,648)	-	(1,648)
Balance at 31 December 2021	789,240	270,012	208,910	1,839,931	2,343,853
Balance at 1 January 2022	789,240	270,012	208,910	1,839,931	2,343,853
Additions	-	12,905	3,492	10,000	26,397
Additions – RoU asset	221,802	-	-	-	221,802
Disposals	-	-	(68,131)	-	(68,131)
Disposals – RoU asset	(20,310)	-	-	-	(20,310)
Balance at 31 December 2022	990,732	282,917	144,271	1,849,931	3,267,851
<i>Depreciation</i>					
Balance at 1 January 2021	259,348	136,678	196,582	797,435	1,390,043
Depreciation charge for the year	-	22,572	5,697	141,260	169,529
RoU depreciation charge for the year	117,174	-	-	-	117,174
Disposals	-	-	(1,446)	-	(1,446)
Balance at 31 December 2021	376,522	159,250	200,831	938,696	1,323,776
Balance at 1 January 2022	376,522	159,250	200,832	938,696	1,675,300
Depreciation charge for the year	-	23,042	875	110,645	134,562
RoU depreciation charge for the year	132,354	-	-	-	132,354
Disposals	-	-	(64,911)	-	(64,911)
Balance at 31 December 2022	508,876	182,292	136,796	1,049,341	1,877,305
<i>Net book value</i>					
At 1 January 2021	529,892	129,690	12,080	1,042,496	1,714,158
At 31 December 2021 and 1 January 2022	412,718	110,762	8,079	901,236	1,432,793
At 31 December 2022	481,756	100,625	7,475	800,590	1,390,546

Notes (continued)
(forming part of the financial statements)

10 Property, plant and equipment (continued)

At 31 December 2022 property, plant and equipment includes right-of-use assets as follows:

	Leasehold Property		Total	
	2022	2021	2022	2021
	£	£	£	£
Right-of-use asset				
At 31 December 2022	481,855	412,718	481,855	412,718

11 Investments

	2022	2021
	£	£
Share capital		
Morag's Lodges Limited	2	2
	<u>2</u>	<u>2</u>
Loans with related parties		
Morag's Lodges Limited	-	320,000
	<u>2</u>	<u>320,002</u>

The Company has the following investments in subsidiaries:

Company	Country of incorporation	Class of shares held	Ownership	
			2022	2021
			%	%
Morag's Lodges Limited	United Kingdom	Ordinary	100	100

12 Deferred tax liabilities

Recognised deferred tax liabilities.

Deferred tax liabilities are attributable to the following:

	2022	2021
	£	£
Plant and equipment	97,796	91,207

The deferred tax liability account consists of the tax effect on timing differences in respect of excess of taxation allowances over depreciation on plant and equipment.

Notes (continued)
(forming part of the financial statements)

12 Deferred tax liabilities (continued)

The movement in the deferred taxation during the year:

	2022 £	2021 £
At 1 January	91,207	100,550
Recognised in income statement	6,589	(9,343)
At 31 December	97,796	91,207

13 Inventory

Inventory relates to supplies of diesel held for refuelling coaches, merchandise, and staff uniforms.

Total inventory expensed in cost of sales is £182,580 (2021: £53,972).

14 Amount due from related parties

Amounts due from other members of The Travel Corporation Limited ("TTC") group, which are unsecured, non-interest bearing, and payable on demand are:

	2022 £	2021 £
Morag's Lodge Limited	180,827	-
Busabout Operations Limited	50,677	221,802
Contiki Holidays (Aus) Pty Limited	33,500	54,151
Contiki Holidays (Canada) Limited	787	1,628
Brendan Vacations Inc	1,350	-
AAT King's Tours (UK) Limited	72,872	-
The Travel Corporation (NZ) Limited	800	-
Evan Evans Tours Limited	3,847	-
Travcorp Management Services Limited	-	14,548
TTC Group Services Limited	-	9,597
	344,660	301,726

The company's exposure to credit and currency risks and impairment losses related to amounts due from related parties is disclosed in note 22.

15 Trade and other receivables

	2022 £	2021 £
Trade receivables	95,535	30,259
Prepayments	361,232	298,413
Sundry debtors	1,746	-
VAT	-	15,685
	458,513	344,357

The company's exposure to credit risk and impairment losses related to trade receivables is disclosed in note 22.

Notes (continued)
(forming part of the financial statements)

16 Cash and cash equivalents

	2022 £	2021 £
Cash and cash equivalents	1,059,598	506,591

The company's exposure to credit and interest rate risks and a sensitivity analysis is disclosed in note 22.

17 Amount due to related parties

Amounts owing to other members of the TTC group, which are unsecured, non-interest bearing, and payable on demand are:

	2022 £	2021 £
Insight Travel Services Limited	708,793	861,041
Travcorp Management Services Limited	105,622	-
TTC Travel Group Limited	36,851	-
Trafalgar Tours (Proprietary) Limited	115	-
Brendan Vacations Inc	-	10,660
Evans Evans Tours Limited	-	316
Morag's Lodges Limited	-	66,811
	851,381	938,828

The company's exposure to liquidity risk related to amounts due to related parties is disclosed in note 22.

18 Trade and other payables

	2022 £	2021 £
Trade payables	120,934	28,709
Other payables	48,229	16,800
PAYE and social security	40,621	18,304
Accruals and deferred income	242,145	150,240
	451,929	214,053

The company's exposure to liquidity risk related to trade payables is disclosed in note 22.

Notes (continued)
(forming part of the financial statements)

19 Employee benefits

Pension plans

The company contributes to a group pension scheme. The scheme comprises a defined benefit scheme, which was closed to new members from 1 May 2004 and closed to further accrual from 1 May 2011, and a defined contribution scheme, which was opened on 1 May 2004. The assets of the scheme are held in separate trustee administered funds. The defined benefit group plan is accounted for as a defined contribution scheme as there is no contractual agreement allocating the cost of the scheme, although it is accounted for as a defined benefit scheme by the ultimate controlling party.

The company also contributes to a multi-employer, defined contribution occupational pension scheme for certain employees.

The value of the scheme's assets at 1 May 2022 was £29,881,000 which represented 84% of the present value of past service liability, based on projected pensionable salaries.

To deal with the deficit, the participating employers have agreed to pay deficit contributions of £19,801 per month from May 2023 in order to eliminate the shortfall by 31 May 2026.

During the year ended 31 December 2022 £62,382 was charged against profits in respect of the defined benefit scheme (2021: £34,577) and £33,755 was charged against profits in respect of the defined contribution scheme (2021: £31,368). The contribution paid by the entity has been estimated based on the membership of the scheme at the date that future accrual ceased and adjusted for length of membership of the company if appropriate

The scheme holds 17% (as at the balance sheet date) (2021: 14%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 23% (2021: 14%).

Plan assets consist of the following:

	2022 £000	2021 £000
Present value of funded defined benefit obligations	25,471	41,163
Fair value of plan assets	(28,253)	(33,453)
Net liability	(2,782)	7,710

Movement in the present value of the defined benefit obligation:

	2022 £000	2021 £000
Liability for defined benefit obligations at 1 January	41,163	44,773
Interest cost	774	572
Benefits paid by the plan	(817)	(1,502)
Actuarial losses recognised in equity	(15,649)	(2,680)
Liability for defined benefit obligations at 31 December	25,471	41,163

Notes (continued)
(forming part of the financial statements)

19 Pension scheme (continued)

Movement in fair value of plan assets:

	2022 £000	2021 £000
Fair value of plan assets at 1 January	33,453	30,230
Interest income	641	387
Employer contributions	1,371	524
Benefits paid by the plan	(817)	(1,502)
Actuarial (losses) / gains recognised in equity	(6,395)	3,814
	<hr/>	<hr/>
Fair value of plan assets at 31 December	28,253	33,453
	<hr/>	<hr/>

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Expense recognised in statement of comprehensive income

	2022 £000	2021 £000
Interest cost	133	186
	<hr/>	<hr/>
	133	186
	<hr/>	<hr/>

Plan assets consist of the following:

	2022 £000	2021 £000
Equity securities	20,892	24,489
Bonds	5,408	5,201
Property	1,035	1,174
Cash	918	2,589
	<hr/>	<hr/>
	28,253	33,453
	<hr/>	<hr/>
	2022 £000	2021 £000
Interest credit (on plan assets)	640	387
Actual return on plan assets	(5,753)	4,200
	<hr/>	<hr/>

Notes (continued)
(forming part of the financial statements)

19 Pension scheme (continued)

Actuarial assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages) were as follows:

	2022 %	2021 %
Discount rate	4.8	1.9
Future salary increases	3.1	3.7
Future pension increases on benefits accrued from 1997 to 2008	3.7	3.7
Future pension increases on benefits accrued post 2008	3.0	3.1
Rate of increase on deferred pensions	2.5	3.0
Retail Price Inflation - pre-retirement	3.1	3.7
Retail Price Inflation - post-retirement	3.2	3.3
Consumer Price Inflation - pre-retirement	2.5	3.0

History of plans

The history of the plans for the current and prior periods is as follows:

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Present value of the defined benefit obligation	(25,471)	(41,163)	(44,773)	(40,988)	(36,468)
Fair value of plan assets	28,253	33,453	30,230	27,344	22,651
Surplus / (deficit) in the plan	2,782	(7,710)	(14,543)	(13,644)	(13,817)
Experience adjustments on plan liabilities	(0.4%)	(0.5%)	1.3%	1.6%	1.4%
Experience adjustments on plan assets	(22.6%)	11.4%	8.6%	14.1%	(8.0%)

20 Loans and borrowings

Non-current liabilities	2022 £	2021 £
Lease liabilities	325,043	305,899
Current liabilities		
Lease liabilities	167,914	117,584
	492,957	423,483

The above liabilities disclosed as falling due after more than one year are secured by the company.

Notes (continued)
(forming part of the financial statements)

21 Called up share capital

	2022		2021	
	No	£	No	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	15,100	15,100	15,100	15,100

22 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, as follows:

- a) to finance its operations;
- b) to manage its exposure to interest risk from its operations and from its sources of finance; and
- c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. The intercompany balances are not considered to represent a significant credit risk by the directors.

Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments. The maximum exposure at the reporting date was:

	2022	2021
	£	£
Amounts due from related parties	344,660	301,726
Trade receivables	95,535	30,259
Cash and cash equivalents	1,059,598	506,591
	<u>1,499,793</u>	<u>838,576</u>

Notes (continued)
(forming part of the financial statements)

22 Financial risk management objectives and policies (continued)

All trade receivables originate from the United Kingdom.

Credit risk with respect to trade receivables is monitored on an ongoing basis by the finance department. The terms of debt are within 30 days of recognition of sales. At the balance sheet date the four largest trade receivables by customer, accounted for £66,437 of the total trade receivables balance, and the largest individual balance was £30,410.

Receivables by age and impairment losses

	Gross 2022 £	Impairment 2022 £	Gross 2021 £	Impairment 2021 £
Not past due	35,663	-	-	-
Past due 1-30 days	930	-	-	-
Past due 31-90 days	9,595	-	-	-
More than 90 days past due	49,347	-	30,259	-
	<u>95,535</u>	<u>-</u>	<u>30,259</u>	<u>-</u>

Liquidity risk

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due.

Trade payables of £120,934 (2021: £28,709) are payable within 6 months or less of the year end.

Amounts due to related parties of £851,381 (2021: £939,828) are payable within 6 months of the year end.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 December 2022							
Loan from related party	851,381	851,381	851,381	-	-	-	-
	<u>851,381</u>	<u>851,381</u>	<u>851,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2021							
Loan from related party	938,828	938,828	938,828	-	-	-	-
	<u>938,828</u>	<u>938,828</u>	<u>938,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Interest rate risk

The company invests its cash in a range of cash deposit accounts with UK Banks. Interest earned therefore closely follows movements in Bank of England base rates. A movement of 1% in this rate would result in a difference in annual pre-tax profit of £10,596 based on company cash, cash equivalents and financial instruments at 31 December 2022.

Notes (continued)
(forming part of the financial statements)

22 Financial risk management objectives and policies (continued)

Foreign exchange risk

The company is exposed to foreign exchange risk primarily in respect of transactions involving the Australian Dollar. The company does not use forward exchange contracts to hedge the company's exposure to foreign currency risk in the local reporting currency.

Exposure to currency risk

The company's exposure to foreign currency risk at the year-end is as follows:

	2022					2021				
	NZ	AUD	Rand	Euro	CAD	NZ	AUD	Rand	Euro	CAD
Amounts due from related parties	800	33,500	-	-	787	-	53,151	-	-	1,628
Amounts due to related parties	-	-	115	-	-	-	-	-	-	-
Gross balance sheet exposure	800	33,500	115	-	787	-	53,151	-	-	1,628

The following significant exchange rates applied during the year:

	Average rate	2021	Reporting date spot rate	2021
	2022		2022	
AUD	1.7775	1.8322	1.7762	1.8624
CAD	1.6028	1.7245	1.6385	1.7131
Euro	1.1720	1.1634	1.1276	1.1898
NZ	1.9445	1.9454	1.9058	1.9773
Rand	20.1746	20.3426	20.5785	21.5870

Sensitivity analysis

A 10% strengthening of the pound against the following currencies at 31 December 2022 would have increased profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2021.

	2022	2021
	£	£
AUD	3,350	(5,315)
CAD	79	(163)
Euro	-	-
NZ	80	-
Rand	(12)	-

A 10% weakening of the pound against the above currencies at 31 December 2022 would have had the equal but opposite effect of the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Fair value

The directors are of the opinion that the carrying value of financial instruments approximates fair value.

Trade and other receivables are valued at amortised cost. Impairment losses are estimated at year end by reviewing amounts outstanding and assessing the likelihood of recoverability.

Notes (continued)
(forming part of the financial statements)

23 Leases (IFRS 16)

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 10):

	Land & buildings		Total	
	2022	2021	2022	2021
	£	£	£	£
Balance at 1 January	412,718	529,892	412,718	529,892
Additions to right-of-use assets	221,800	-	221,800	-
Depreciation charge for the year	(132,353)	(117,174)	(132,353)	(117,174)
Disposal	(20,310)	-	(20,310)	-
Balance at 31 December	481,855	412,718	481,855	412,718

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

2022 - Leases under IFRS 16	£
Interest expense on lease liabilities	8,841

2021 - Leases under IFRS 16	£
Interest expense on lease liabilities	7,839

Amounts recognised in statement of cash flows

Total cash outflow for leases	£
	60,634

COVID-19 related rent concessions

The amount recognised in profit or loss to reflect changes in lease payments that arise from rent concessions to which the Company has applied the practical expedient for COVID-19 related rent concessions is £15,855 (2021: £15,855). These lease concessions relate to property rental contracts between the Group and other members of The Travel Corporation Group and all conditions under IFRS 16.46 have been met.

24 Related party transactions

During the year the company provided services to other members of the group as follows:

	2022	2021
	£	£
Morag's Lodges Limited	62,769	44,995
Busabout Operations Limited	-	6,187
Travcorp Management Services Limited	21,345	30,596
AAT King's (UK) Limited	70,986	-
	155,100	81,778

Notes *(continued)*
(forming part of the financial statements)

25 Related party transactions *(continued)*

During the year the company received services from other members of the group as follows:

	2022 £	2021 £
Morag's Lodges Limited	333,745	87,300
Busabout Operations Limited	60,410	13,594
Insight Travel Services Limited	96,174	75,175
Atholl Exchange Limited	47,565	47,565
TTC Travel Group Limited	71,121	47,537
Other group companies	11,525	1,246
	<u>620,540</u>	<u>272,417</u>

26 Ultimate parent company and parent company of larger group

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands.

The largest group in which the results of the company are consolidated is that headed by The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The financial statements of this company are not available to the public. The smallest group in which they are consolidated is that headed by Insight Group Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Insight Group Limited are available to the public from the Registrar of Companies.