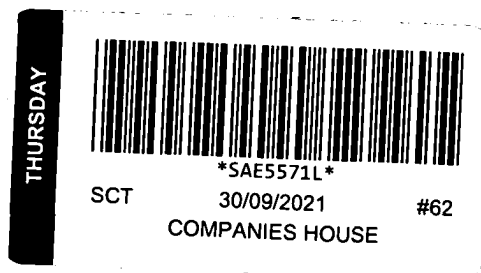


Radical Travel Group Limited

Annual report and financial statements

Registered number SC136334

For the year ended 31 December 2020



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2020.

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

The results for the year were severely impacted by the Covid-19 pandemic with a 91% fall in Revenue. It is expected that the level of activity will continue to be reduced in 2021 but a return to normal levels in future years is anticipated. The business is able to respond quickly to changes in demand for services.

Results and dividends

The loss for the year after taxation was £1,024,682 (2019: £100,298 loss). The directors do not recommend the payment of a dividend (2019: £nil).

Financial instruments

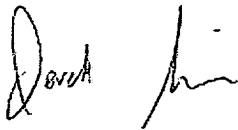
Details of the company's financial risk management objectives and policies are included in note 22 to the financial statements.

Directors

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

DID Howie
CG Ward

By order of the board



Derek Howie
Secretary
2 September 2021

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 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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 IFRSs as adopted by the EU;
- 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 2020

	<i>Note</i>	2020 £	2019 £
Revenue	2	426,357	4,797,171
Cost of sales		(829,014)	(3,168,086)
		<hr/>	<hr/>
Gross (loss) / profit		(402,657)	1,629,085
Administrative expenses		(975,211)	(1,698,576)
Other operating income	3	370,093	2,841
		<hr/>	<hr/>
Operating loss	4	(1,007,775)	(66,650)
Finance income	7	493	629
Finance expenses	8	(10,066)	(12,187)
		<hr/>	<hr/>
Loss before taxation		(1,017,348)	(78,208)
Taxation	9	(7,334)	(22,090)
		<hr/>	<hr/>
Loss for the year		(1,024,682)	(100,298)
		<hr/>	<hr/>
Total comprehensive loss for the year		(1,024,682)	(100,298)
		<hr/>	<hr/>

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 2020

	Share capital £	Retained Earnings £	Total £
Balance at 1 January 2019	15,100	2,601,123	2,616,223
Total comprehensive loss for the year	-	(100,298)	(100,298)
Balance at 31 December 2019	15,100	2,500,825	2,515,925
Total comprehensive loss for the year	-	(1,024,682)	(1,024,682)
Balance at 31 December 2020	15,100	1,476,143	1,491,243

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

Statement of financial position
as at 31 December 2020

	<i>Note</i>	2020 £	2019 £
Non-current assets			
Plant and equipment	10	1,714,158	2,072,624
Investments	11	320,010	320,010
Total non-current assets		2,034,168	2,392,634
Current assets			
Inventory	13	6,045	9,235
Amounts due from related parties	14	618,870	390,071
Trade and other receivables	15	226,483	394,509
Cash and cash equivalents	16	278,913	714,434
Current tax assets		-	1,959
Total current assets		1,130,311	1,510,208
Total assets		3,164,479	3,902,842
Non-current liabilities			
Loans and borrowings	20	423,603	539,044
Deferred tax liabilities	12	100,550	95,175
Total non-current liabilities		524,153	634,219
Current liabilities			
Amounts due to related parties	17	872,520	360,757
Trade and other payables	18	161,002	278,367
Loans and borrowings	20	115,561	113,574
Total current liabilities		1,149,083	752,698
Total liabilities		1,673,236	1,386,917
Net assets		1,491,243	2,515,925
Equity			
Share capital	21	15,100	15,100
Retained earnings		1,476,143	2,500,825
Total equity		1,491,243	2,515,925

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

Statement of financial position (*continued*)

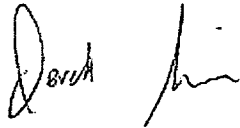
as at 31 December 2020

For the year ending 31 December 2020 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 2 September 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Derek Howie', written over a horizontal line.

Derek Howie
Director

Statement of cash flows
for the year ended 31 December 2020

	<i>Note</i>	2020 £	2019 £
Cash flows from operating activities			
(Loss)/profit for the year		(1,024,682)	(100,298)
<i>Adjustments for:</i>			
Depreciation	10	249,989	266,397
RoU asset depreciation	23	117,174	117,174
Finance income	7	(493)	(629)
Finance expense	8	10,066	12,187
Loss on sale of property, plant and equipment		-	11,519
Taxation	9	7,334	22,090
		<u>(640,612)</u>	<u>328,440</u>
Decrease in inventories		3,190	7,574
Decrease in trade and other receivables	15	168,025	168,022
(Increase) in amounts due to related parties	14	(228,799)	(108,643)
(Decrease) / increase in trade and other payables	18	(117,365)	74,976
Increase in amounts due to related parties	17	511,764	107,704
		<u>(303,797)</u>	<u>578,073</u>
Tax paid		-	(42,906)
Net cash (used in) / generated from operating activities		<u>(303,797)</u>	<u>533,417</u>
Cash flows from financing activities			
Interest paid		-	(167)
Decrease in loans		-	(22,500)
Payment of lease liabilities		(123,520)	(123,431)
Net cash used in financing activities		<u>(123,520)</u>	<u>(146,098)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	112,000
Acquisition of property, plant and equipment	10	(8,697)	(364,429)
Interest received	7	493	629
Net cash used in investing activities		<u>(8,204)</u>	<u>(251,800)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(435,521)</u>	<u>135,519</u>
Cash and cash equivalents at beginning of year	16	714,434	578,915
Cash and cash equivalents at end of year	16	<u>278,913</u>	<u>714,434</u>

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 company incorporated 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 Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") 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.

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

The Company's financial statements have been prepared on a going concern basis which the directors believe to be appropriate, notwithstanding the significant challenges posed by the current global COVID-19, for the following reasons.

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 global COVID-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the Company's business is such that in the next twelve months, there is expected to be an unpredictable variation in the value and timing of cash inflows.

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, taking account of severe but plausible downsides, 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. The severe but plausible downside scenario forecast by the directors assumes no return to normally organised tours until September 2021 followed by a period of gradual return.

Those forecasts are dependent on Travel Corporation Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £872,520 and providing additional financial support during that period. 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 Limited is not the sponsoring entity. Consequently, the scheme is accounted for as a defined contribution scheme and obligations for contributions are recognised as an expense in the statement of comprehensive income as incurred. The net defined benefit cost of the pension scheme is therefore recognised fully by the ultimate controlling party.

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 2020 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 two government grants. One of these grants amounted to £294,771 and related to the furlough scheme introduced in response to the COVID-19 coronavirus pandemic. The company was entitled to the wage subsidy as it satisfied the requirements set by the UK government. The grant was recognised in the profit or loss in 'other income' as the related wages and salary costs for furloughed employees were recognised. There is no outstanding balance of deferred income or receivable related to this grant as at 31 December 2020.

The second grant received amounted to £25,000 and was in relation to the Business Support Grant offered to businesses within the retail, hospitality and leisure sector by the Scottish government. 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 2020.

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 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); 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 £50,260 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.

	2020 £	2019 £
Major service lines		
Tours	281,470	3,607,182
Agencies	144,887	1,189,989
Total	426,357	4,797,171

The company has no contract assets. The company has trade receivables £17,890 (2019: £64,222) as disclosed in note 15. The contract liabilities of £38,306 (2019: £101,508) 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 £101,508 (2019: £56,510).

3 Other operating income

	2020 £	2019 £
Government Payroll Support	294,771	-
Lease Concessions	50,260	-
Government Grant	25,000	-
Commission and merchandise	62	2,841
Total	370,093	2,841

4 Expenses and auditor's remuneration

	2020 £	2019 £
<i>Included in the loss for the year are the following:</i>		
Depreciation of plant and equipment	249,989	266,397
Auditor's remuneration:	2020 £	2019 £
Audit	-	8,500

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	
	2020	2019
Administrative	3	4
Sales	9	13
Operations	23	30
	<hr/>	<hr/>
	35	47
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£	£
Wages and salaries	790,902	1,224,237
Social security costs	59,693	111,189
Other pension costs	71,362	89,799
	<hr/>	<hr/>
	921,957	1,425,225
	<hr/>	<hr/>

6 Directors' Emoluments

	2020	2019
	£	£
Directors' emoluments	83,270	137,197
Company contributions to defined contribution scheme	9,268	8,107
	<hr/>	<hr/>
	92,538	145,304
	<hr/>	<hr/>

7 Finance income

	2020	2019
	£	£
Bank interest receivable	493	629
	<hr/>	<hr/>

8 Finance expenses

	2020	2019
	£	£
Finance charges including interest expense on lease liabilities	10,066	12,187
	<hr/>	<hr/>

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

9 Taxation

Recognised in the income statement

	2020 £	2019 £
<i>Current tax expense</i>		
Current year	-	(1,750)
Prior year adjustment	1,959	-
	<hr/>	<hr/>
Current tax expense	1,959	(1,750)
<i>Deferred tax expense</i>		
Origination of timing differences	5,375	23,840
	<hr/>	<hr/>
Deferred tax expense	5,375	23,840
	<hr/>	<hr/>
Total tax in income statement	7,334	22,090
	<hr/>	<hr/>

Reconciliation of effective tax rate:

	2020 £	2019 £
<i>Current tax reconciliation</i>		
(Loss) on ordinary activities before tax	(1,017,348)	(78,210)
	<hr/>	<hr/>
<i>Effects of:</i>		
Tax using UK corporation tax rate of 19% (2019: 19%)	(193,296)	(14,860)
	<hr/>	<hr/>
Non-deductible expenses	200,630	36,950
	<hr/>	<hr/>
Total tax in income statement	7,334	22,090
	<hr/>	<hr/>

The March 2021 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2021, and this change was substantively enacted on 3 March 2021. The impact of the tax rate change on year end deferred tax is £nil as deferred tax has been calculated at this rate in both years.

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 2019	25,000	105,204	209,441	1,939,610	2,279,255
Recognition of right-of-use assets on initial application of IFRS 16	764,240	-	-	-	764,240
Additions	-	152,467	2,841	209,121	364,429
Disposals	-	-	(3,620)	(308,800)	(312,420)
Balance at 31 December 2019	789,240	257,671	208,662	1,839,931	3,095,504
Balance at 1 January 2020	789,240	257,671	208,662	1,839,931	3,095,504
Additions	-	8,697	-	-	8,697
Disposals	-	-	-	-	-
Balance at 31 December 2020	789,240	266,368	208,662	1,839,931	3,104,201
<i>Depreciation</i>					
Balance at 1 January 2019	25,000	100,026	149,439	553,745	828,210
Depreciation charge for the year	-	14,055	26,035	226,307	266,397
RoU depreciation charge for the year	117,174	-	-	-	117,174
Disposals	-	-	(3,620)	(185,281)	(188,901)
Balance at 31 December 2019	142,174	114,081	171,854	594,771	1,022,880
Balance at 1 January 2020	142,174	114,081	171,854	594,771	1,022,880
Depreciation charge for the year	-	22,597	24,728	202,664	249,989
RoU depreciation charge for the year	117,174	-	-	-	117,174
Disposals	-	-	-	-	-
Balance at 31 December 2020	259,348	136,678	196,582	797,435	1,390,043
<i>Net book value</i>					
At 1 January 2019	344,672	5,178	60,002	1,385,865	1,451,045
At 31 December 2019 and 1 January 2020	647,066	143,590	36,808	1,245,160	2,072,624
At 31 December 2020	529,892	129,690	12,080	1,042,496	1,714,158

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

10 Property, plant and equipment (continued)

At 31 December 2020 property, plant and equipment includes right-of-use assets as follows:

	Leasehold Property		Total	
	2020	2019	2020	2019
	£	£	£	£
Right-of-use asset				
At 31 December 2020	529,891	647,066	529,891	647,066

11 Investments

	2020	2019
	£	£
Share capital		
Morag's Lodges Limited	2	2
Shamrock Adventures Limited	8	8
	<u>10</u>	<u>10</u>
Loans with related parties		
Morag's Lodges Limited	320,000	320,000
	<u>320,010</u>	<u>320,010</u>

The Company has the following investments in subsidiaries:

Company	Country of incorporation	Class of shares held	Ownership	
			2020	2019
			%	%
Morag's Lodges Limited	United Kingdom	Ordinary	100	100
Shamrock Adventures Limited	Ireland	Ordinary	100	100

12 Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2020	2019
	£	£
Plant and equipment	100,550	95,175

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

The movement in the deferred taxation during the year:

	2020 £	2019 £
At 1 January	95,175	71,335
Recognised in income statement	5,375	23,840
	<hr/>	<hr/>
At 31 December	100,550	95,175
	<hr/>	<hr/>

13 Inventory

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

Total inventory expensed in cost of sales is £32,835 (2019: £204,046).

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:

	2020 £	2019 £
Morag's Lodge Limited	285,020	-
Shamrock Adventures Limited	127,906	186,420
Busabout Operations Limited	122,273	166,941
Contiki Holidays (Aus) Pty Limited	56,718	32,612
Travcorp Management Services Limited	14,500	-
TTC Group Services Limited	9,597	-
Contiki Holidays (NZ) Limited	-	2,961
Contiki Holidays (Canada) Limited	2,506	982
Brendan Vacations	350	-
Trafalgar Tours Pty Limited	-	155
	<hr/>	<hr/>
	618,870	390,071
	<hr/>	<hr/>

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

	2020 £	2019 £
Trade receivables	17,890	64,222
Other receivables	1,193	53,553
Prepayments	183,095	159,188
VAT	24,305	117,546
	<hr/>	<hr/>
	226,483	394,509
	<hr/>	<hr/>

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

	2020 £	2019 £
Cash and cash equivalents per balance sheet	278,913	714,434

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:

	2020 £	2019 £
Insight Travel Services Limited	781,758	189,815
Travcorp Management Services Limited	-	22,632
TTC Travel Group Limited	71,736	16,918
Atholl Exchange Limited	19,026	-
Evans Evans Tours Limited	-	199
Trafalgar Tours Limited	-	91,843
Morag's Lodges Limited	-	39,350
	872,520	360,757

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

18 Trade and other payables

	2020 £	2019 £
Trade payables	17,201	34,577
Other payables	158	2,627
PAYE and social security	15,676	29,488
Accruals and deferred income	127,969	211,675
	161,002	278,367

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 2019 was £25,230,000 which represented 68% 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 £19,218 per month from July 2020 to July 2021 and £922,488 per annum with effect from 1 August 2021, apart from the year from 1 August 2022 where contributions will be £1,844,976 per annum (2019: £861,000 per annum) in order to eliminate the shortfall by 30 November 2030.

During the year ended 31 December 2020 £34,577 was charged against profits in respect of the defined benefit scheme (2019: £44,484) and £36,785 was charged against profits in respect of the defined contribution scheme (2019: £45,661). 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 14% (as at the balance sheet date) (2019: 15%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 11% (2019: 16%).

Plan assets consist of the following:

	2020 £000	2019 £000
Present value of funded defined benefit obligations	44,773	40,988
Fair value of plan assets	(30,230)	(27,344)
Net liability	14,543	13,644

Movement in the present value of the defined benefit obligation:

	2020 £000	2019 £000
Liability for defined benefit obligations at 1 January	40,988	36,468
Interest cost	811	1,008
Benefits paid by the plan	(843)	(956)
Actuarial losses/(gains) recognised in equity	3,817	4,468
Liability for defined benefit obligations at 31 December	44,773	40,988

Notes (continued)

(forming part of the financial statements)

19 Pension scheme (continued)

Movement in fair value of plan assets:

	2020 £000	2019 £000
Fair value of plan assets at 1 January	27,344	22,651
Interest income	544	637
Employer contributions	571	1,145
Benefits paid by the plan	(843)	(956)
Actuarial gains/(losses) recognised in equity	2,614	3,867
	<hr/>	<hr/>
Fair value of plan assets at 31 December	30,230	27,344
	<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

	2020 £000	2019 £000
Interest cost	267	371
	<hr/>	<hr/>
	267	371
	<hr/>	<hr/>

Plan assets consist of the following:

	2020 £000	2019 £000
Equity securities	22,952	21,182
Bonds	5,672	4,650
Property	1,263	740
Cash	343	772
	<hr/>	<hr/>
	30,230	27,344
	<hr/>	<hr/>
	2020 £000	2019 £000
Interest credit (on plan assets)	544	637
Actual return on plan assets	3,157	4,504
	<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:

	2020 %	2019 %
Discount rate	1.3	2.0
Future salary increases	3.0	3.2
Future pension increases on benefits accrued from 1997 to 2008	3.6	3.7
Future pension increases on benefits accrued post 2008	2.9	3.1
Rate of increase on deferred pensions	2.3	2.4
Retail Price Inflation - pre-retirement	3.0	3.2
Retail Price Inflation - post-retirement	3.0	3.3
Consumer Price Inflation - pre-retirement	2.3	2.4

History of plans

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

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Present value of the defined benefit obligation	(44,773)	(40,988)	(36,468)	(44,689)	(44,327)
Fair value of plan assets	30,230	27,344	22,651	27,331	25,295
Deficit in the plan	(14,543)	(13,644)	(13,817)	(17,358)	(19,032)
Experience adjustments on plan liabilities	1.3%	1.6%	1.4%	2.5%	0.4%
Experience adjustments on plan assets	8.6%	14.1%	(8.0%)	5.5%	10.9%

20 Loans and borrowings

Non-current liabilities	2020 £	2019 £
Lease liabilities	423,603	539,044
Current liabilities		
Lease liabilities (2019: finance lease liabilities)	115,561	113,574
	539,164	652,618

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

	2020		2019	
	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:

	2020	2019
	£	£
Amounts due from related parties	618,870	394,509
Trade receivables	17,890	64,222
Cash and cash equivalents	278,913	714,434
	<u>915,673</u>	<u>1,173,165</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 £16,975 of the total trade receivables balance, and the largest individual balance was £9,828.

Receivables by age and impairment losses

	Gross 2020 £	Impairment 2020 £	Gross 2019 £	Impairment 2019 £
Not past due	-	-	22,470	-
Past due 1-30 days	-	-	-	-
Past due 31-120 days	-	-	20,295	-
More than 120 days past due	17,890	-	21,457	-
	<u>17,890</u>	<u>-</u>	<u>64,222</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 £17,201 (2019: £34,577) are payable within 6 months or less of the year end.

Amounts due to related parties of £872,520 (2019: £360,756) 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 2020							
Loan from related party	872,520	872,520	872,520	-	-	-	-
	<u>872,520</u>	<u>872,520</u>	<u>872,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2019							
Loan from related party	360,757	360,757	360,757	-	-	-	-
	<u>360,757</u>	<u>360,757</u>	<u>360,757</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 £2,789 based on company cash, cash equivalents and financial instruments at 31 December 2020.

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:

	2020					2019				
	NZ	AUD	Rand	Euro	CAD	NZ	AUD	Rand	Euro	CAD
Amounts due from related parties	-	56,718	-	127,906	2,506	2,961	32,612	155	186,420	982
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-
Gross balance sheet exposure	-	56,718	-	127,906	2,506	2,961	32,612	155	186,420	982

The following significant exchange rates applied during the year:

	Average rate 2020	2019	Reporting date spot rate 2020	2019
AUD	1.8628	1.8357	1.7726	1.8874
Euro	1.1249	1.1398	1.1174	1.1818
NZ	1.9755	1.9369	1.8993	1.9672

Sensitivity analysis

A 10% strengthening of the pound against the following currencies at 31 December 2020 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 2019.

	2020 £	2019 £
AUD	(5,672)	(3,261)
Rand	-	(16)
NZ	-	(296)
Euro	(12,791)	(18,642)
CAD	(251)	(98)

A 10% weakening of the pound against the above currencies at 31 December 2020 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	
	2020	2019	2020	2019
	£	£	£	£
Balance at 1 January	647,066	764,240	647,066	764,240
Additions to right-of-use assets	-	-	-	-
Depreciation charge for the year	(117,175)	(228,174)	(117,174)	(117,174)
	<u>647,066</u>	<u>764,240</u>	<u>647,066</u>	<u>764,240</u>
Balance at 31 December	529,891	647,066	529,892	647,066
	<u><u>529,891</u></u>	<u><u>647,066</u></u>	<u><u>529,892</u></u>	<u><u>647,066</u></u>

Amounts recognised in profit or loss

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

	£
2020 - Leases under IFRS 16	
Interest expense on lease liabilities	10,066
	<u>10,066</u>
2019 - Leases under IFRS 16	
Interest expense on lease liabilities	12,020
	<u>12,020</u>
<i>Amounts recognised in statement of cash flows</i>	
Total cash outflow for leases	6,346
	<u>6,346</u>

24 Related party transactions

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

	2020	2019
	£	£
Morag's Lodges Limited	33,871	83,614
Shamrock Adventures Limited	19,022	94,404
Busabout Operations Limited	21,629	76,291
Travcorp Management Services Limited	33,407	51,619
Insight Travel Services Limited	3,800	-
AAT King's (UK) Limited	21,517	-
Tracoin Services Limited	9,670	-
TTC Group Services Limited	9,597	-
Travcorp UK Limited	9,500	-
	<u>162,013</u>	<u>305,928</u>
	<u><u>162,013</u></u>	<u><u>305,928</u></u>

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:

	2020 £	2019 £
Morag's Lodges Limited	44,881	363,818
Busabout Operations Limited	6,654	189,780
Insight Travel Services Limited	86,224	136,894
Atholl Exchange Limited	31,710	61,010
TTC Travel Group Limited	79,528	64,809
Other group companies	12,106	131,012
	<hr/>	<hr/>
	261,103	947,323
	<hr/>	<hr/>

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.