Evan Evans Tours Limited

Directors' report and financial statements

For the year ended 31 December 2021

Registered number: 573747

Contents

Strategic report

The directors present their annual strategic report, directors' report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The company's principal activity is the operation of coach sightseeing tours.

Business review

The level of business showed a deterioration with revenue levels 41.3% down on the previous year due to the Covid 19 pandemic.

Key performance indicators

The company's key financial performance indicators during the year were as follows:

	2021	2020
	£000	£000
Turnover	**1,395**	2,379
Gross profit ratio	**2.08%**	(5.85)%

The company's turnover decreased by 41.3% during the year (*2020: decrease of 88.6%*)

The key indicators of performance revolve around the passenger numbers and gross profit ratios. On both these measures, directors are satisfied that budget assumptions are being met.

Principal risks and uncertainties

The company uses financial instruments, other than derivatives, compromising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risk arising from the company's financial instruments is credit risk. The directors review and agree policies for managing financial risks as summarised below.

Credit risk is managed by agreeing payment terms in advance and by having in place appropriate credit control procedures. Where credit risk is considered higher than acceptable, payment must be provided in advance.

The company's transactions are undertaken predominantly in sterling and therefore the Directors do not consider that foreign currency risk is significant, although this will be kept under review.

Future developments

The directors aim to maintain the management policies which have resulted in the Company's results for the year. The directors believe that acceptable levels of operating profitability will be delivered in 2022 and the Company is well placed to grow in the future.

By order of the board

DID Howie
Director
30 August 2022

258 Vauxhall Bridge Road
London
SW1V 1BS

Directors' report

The directors present their directors' report and financial statements of the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £1,297,158 (*2020:* £1,595,265) and has been taken to reserves. The directors do not recommend a dividend for the year (*2020: £nil*)

Political and charitable contributions

Charitable donations of £NIL (*2020: £nil*) were made during the year.

The Company made no political donations during the year (*2020: £nil*)

Directors

The directors who served office during the year and as at the date of this report were as follows:

DID Howie
T Macklin

DID Howie
Director
30 August 2022

258 Vauxhall Bridge Road
London
SW1V 1BS

Statement of directors' responsibilities in respect of the Strategic report, 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 2021

	Note	2021 £	2020 £
Revenue	*2*	**1,395,498**	2,378,599
Cost of sales		**(1,366,415)**	(2,517,813)
Gross profit		**29,083**	(139,214)
Other operating income	*4*	**91,127**	47,500
Administrative expenses		**(1,426,142)**	(1,631,226)
Operating loss	*3,4*	**(1,305,932)**	(1,722,940)
Finance income	*7*	**8,774**	9,366
Finance cost		**-**	-
Loss before tax		**(1,297,158)**	(1,713,574)
Tax on loss on ordinary activities	*9*	**-**	118,309
Loss for the year		**(1,297,158)**	(1,595,265)
Total comprehensive loss for the year		**(1,297,158)**	(1,595,265)

All results relate to continuing operations.

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

The notes on pages 9 to 29 form an integral part of these financial statements

Statement of changes in equity
for the year ended 31 December 2021

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2020	4,800	(6,247,410)	(6,242,610)
Total comprehensive loss for the year	-	(1,595,265)	(1,595,265)
At 31 December 2020 and 1 January 2021	4,800	(7,842,675)	(7,837,875)
Total comprehensive loss for the year	-	(1,297,158)	(1,297,158)
At 31 December 2021	**4,800**	**(9,139,833)**	**(9,135,033)**

The notes on pages 9 to 29 form an integral part of these financial statements.

Statement of financial position
As at 31 December 2021

	Note	**2021**	2020
		£	£
Non-current assets			
Property, plant and equipment	*10*	**164,105**	251,400
Intangible Assets	*8*	**359,820**	485,180
Right of Use Assets	*20*	**672,158**	758,888
Deferred tax assets	*11*	**49,949**	49,949
		1,246,032	1,545,417
Current assets			
Amounts due from related parties	*12*	**1,258,893**	1,249,808
Trade and other receivables	*13*	**508,392**	284,369
Loans		**75,973**	50,000
Cash and cash equivalents	*14*	**126,257**	194,964
		1,969,515	1,779,141
Total assets		**3,215,547**	3,324,558
Current liabilities			
Amounts due to related parties	*15*	**(11,183,637)**	(10,183,500)
Trade and other payables	*16*	**(449,743)**	(179,338)
Loans & Borrowings	*21*	**(83,837)**	(82,395)
Current Tax		**(39,985)**	(39,985)
		(11,757,202)	(10,485,218)

Statement of financial position *(continued)*
As at 31 December 2021

	Note	**2021** **£**	2020 £
Non-current liabilities			
Loans & Borrowings	*21*	**(593,377)**	(677,215)
		(593,377)	(677,215)
Total liabilities		**(12,350,579)**	(11,162,433)
Net liabilities		**(9,135,032)**	(7,837,875)
Equity			
Share capital	*18*	**4,800**	4,800
Retained earnings		**(9,139,832)**	(7,842,675)
Total equity		**(9,135,032)**	(7,837,875)

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. 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 30 August 2022 and were signed on its behalf by

DID Howie
Director

The notes on pages 9 to 28 form an integral part of these financial statements.

Statement of cash flows
As at 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year		**(1,297,158)**	(1,595,265)
Adjustments for:			
Depreciation, amortisation and impairment	8,10	**212,653**	248,499
Right of Use Asset Depreciation		**86,730**	92,420
Financial income	7	**(8,774)**	(9,366)
Finance cost		-	-
Taxation	9	-	(118,309)
Decrease in trade and other receivables	12,13	**(259,081)**	1,161,593
Increase in trade and other payables	15,16	**1,270,542**	269,552
Tax Paid		**24,482**	(263,183)
Net cash from operating activities		**29,394**	(213,699)
Cash flows from investing activities			
Interest received	7	**8,774**	9,366
Acquisition of property, plant and equipment	10	-	(62,988)
Acquisition of intangibles	8	-	(52,942)
Net cash from investing activities		**8,774**	(106,564)
Cash flows from financing activities			
Payment of lease liabilities		**(106,875)**	(38,653)
Net cash from financing activities		**(106,875)**	(38,653)
Net increase/(decrease) in cash and cash equivalents		**(68,707)**	(358,916)
Cash and cash equivalents at 1 January	14	**194,964**	553,880
Effect of exchange rate fluctuations on cash held			
Cash and cash equivalents at 31 December	14	**126,257**	194,964

The notes on pages 9 to 29 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Evan Evans Tours Limited (the "company") is a company incorporated in the UK. The registered number is 00573747 and the registered address is 258 Vauxhall Bridge Road, London, SW1V 1BS.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis.

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 crisis and the net current liabilities of £9,787,687 and net liabilities of £9,135,032 as at 31 December 2021, 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 2022 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 2021 amounted to £11,183,637 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.

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.

Notes *(continued)*

Revenue

Revenue represents the income earned from the operation of coach sightseeing tours and the sale of venue tickets.

The Company applies the following five step model;

1) Identification of a contract to provide tour and related services
2) Identification of performance obligations within that contract
3) Determination of the transaction price as outlined within the contract for the provision of tour and related services
4) Allocation of the transaction price to the performance obligations as outlined within the contract and
5) 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 services to customers. The performance obligation is the supply of services to the customer and therefore the transaction price relates to this performance obligation.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Assets under construction

Assets under construction consist of development costs for new software projects that have yet to go live and become fully operational at which point these assets will transfer to fixed assets.

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

Leasehold property	Straight line over the lease term
Fixtures and fittings	10-33.3% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Taxation

Tax on the profit 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 in force for the year 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.

Notes *(continued)*

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 Evan Evans Tours 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.

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.

Finance income and expenses

Financing income and expenses comprise interest payable and interest receivable on funds invested.

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

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 other payables.

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 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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Intangible assets

Development of Computer Software

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the income statement when the asset is first available for use on a straight-line basis over the estimated useful life of the intangible asset which is considered to be 5 years.

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.

Cash and equivalents

Cash and cash equivalents comprise cash balance and call deposits. 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.

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 other than an unsecured overdraft as at 31 December 2021 and is not subject to externally imposed capital requirements; management of capital therefore focuses around its ability to generate cash from its operations.

Standards, amendments and interpretations adopted during the period

There were no new or forthcoming accounting standards that are expected to have an impact on the company.

Leases

The Company currently has several operating leases for buildings and machinery, at adoption on 1 January 2019 this will be recognised on the Statement of Financial Position as a right of use asset and a liability for the minimum lease payments. There will also be an impact on profit before tax as a result of increased depreciation charges and finance costs. The Company is currently in the process of quantifying the impact of these changes. The option for transition to be taken by the Company is the modified retrospective approach under IFRS 16.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

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.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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.

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.

Notes *(continued)*

2 Revenue

The revenue and pre-tax results are attributable to the company's main activities of operating sightseeing tours which is generated in the UK. An analysis is given below:

	2021	2020
	£	£
Operation of sightseeing tours	**1,346,323**	2,310,371
Sale of venue tickets	**49,175**	68,228
	1,395,498	2,378,599

The company has no contract assets. The trade receivables balances are disclosed in note 12. The contract liabilities at period end are £Nil (2020: £Nil).

3 Expenses and auditor's remuneration

	2021	2020
	£	£
Operating loss is stated after charging:		
Depreciation of property, plant and equipment	**87,294**	125,289
Operating leases – land and buildings	**125,359**	123,210
Auditors' remuneration:		
Audit of these financial statements	**14,500**	14,500

4 Other operating income

	2021	2020
	£	£
VAT reclaim from prior years	**43,627**	-
Lease Concessions - Rental Property	**47,500**	47,500

Notes *(continued)*

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	
	2021	2020
Administrative staff	**18**	24
Sales staff	**5**	19
	23	43

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£	£
Wages and salaries	**716,765**	938,753
Social security costs	**96,959**	98,835
Other pension costs	**89,245**	79,825
	902,969	1,117,413

Notes *(continued)*

6 Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	**131,542**	118,375
Pension	**7,250**	6,652
	138,792	125,027

Retirement benefits are accruing to the following number of directors:

	Number of directors	Number of directors
	2021	2020
Defined Contribution scheme	**1**	1

One of the directors is remunerated through another group company and received no remuneration from the company during the year (2020: £Nil).

7 Finance income

	2021	2020
	£	£
Bank interest receivable	**8,774**	9,366

Notes *(continued)*

8. Intangible assets

	Total
	£
Cost	
Balance at 1 January 2020	573,856
Additions	52,941
Transfer	-
Balance at 31 December 2020	626,797
Balance at 1 January 2021	626,797
Additions	-
Transfer	-
Balance at 31 December 2021	**626,797**
Amortisation	
Balance at 1 January 2020	18,408
Amortisation charge for the year	123,210
Disposals	-
Balance at 31 December 2020	141,618
Balance at 1 January 2021	141,618
Amortisation charge for the year	125,359
Balance at 31 December 2021	**266,977**
Net book value	
At 31 December 2021	**359,820**
At 31 December 2020	485,180

The intangible asset solely consists of the PrioTicket system, which is a bespoke booking system for all key aspects of the company's business, including quotation, booking, purchasing and finance modules. The system began being amortised in November 2019 over a length of 5 years till November 2024 on a straight line basis.

Notes *(continued)*

9 Taxation

Recognised in the income statement

	2021	2020
	£	£
Current tax expense:		
Group relief payable	-	108,309
Current tax expense	-	108,309
Deferred tax		
Origination and reversal of temporary differences	-	-
Total corporation tax credit in statement of comprehensive income	-	108,309

Reconciliation of effective tax rate

	2021	2020
	£	£
Loss before tax	**(1,297,158)**	(1,713,574)
Tax using the UK corporation tax rate of 19% (2019: 19%)	**(246,460)**	(325,582)
Disallowable Expenditure	-	-
Change in recognised deductible temporary differences	-	-
Transfer price adjustment	**246,460**	217,273
Compensation adjustment	-	-
Total tax credit in statement of comprehensive income	-	(108,309)

On 24 May 2021, the UK corporation rate of 25% (effective 1 April 2023) was substantively enacted, increasing from the current rate of 19%.

Notes *(continued)*

10 Property, plant and equipment

	Short Leasehold Property	Fixtures & fittings	Assets under construction	Total
	£	£	£	£
Cost				
Balance at 1 January 2020	495,449	947,755	1,035	1,444,239
Additions	18,824	44,164	-	62,988
Transfer		-	(1,035)	(1,035)
Balance at 31 December 2020	514,273	991,919	-	1,506,192
Balance at 1 January 2021	514,273	991,919	-	1,506,192
Additions	-	-	-	-
Transfer		-	-	-
Balance at 31 December 2021	**514,273**	**991,919**	-	**1,506,192**
Depreciation				
Balance at 1 January 2020	339,617	789,887	-	1,129,504
Depreciation charge for the year	26,456	98,833	-	125,289
Disposals	-	-	-	-
Balance at 31 December 2020	366,073	888,720	-	1,254,793
Balance at 1 January 2021	366,073	888,720	-	1,254,793
Depreciation charge for the year	25,948	61,346	-	87,294
Balance at 31 December 2021	**392,021**	**950,066**	-	**1,342,087**
Net book value				
At 31 December 2021	**122,252**	**41,853**	-	**164,105**
At 31 December 2020	148,199	103,199	-	251,398

Notes *(continued)*

11 Deferred tax asset

Recognised deferred tax asset

Deferred tax assets are attributed to:

	2021 £	2020 £
Plant and equipment	**49,949**	49,948

The deferred tax asset consists of the tax effect and timing difference in respect of excess of depreciation on property, plant and equipment over taxation allowances.

	2021 £	2020 £
At start of the year	**49,948**	49,948
Recognised income statement	-	-
At end of the year	**49,948**	49,948

12 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:

	2021 £	2020 £
AAT Kings (UK) Limited	-	256
AAT Kings Tours International	**316**	-
Busabout Operations Ltd	-	736
Cullinan Holdings Pty Ltd	**316**	-
Down Under Tours Australia Pty Ltd	**1,052**	736
Radical Travel Group	**316**	-
Siva Travel Services (Greece)	**316**	-
Travcorp (UK) Limited	-	263
Travcorp Financial Services Ltd	**1,256,577**	1,247,817
	1,258,893	1,249,808

The company's exposure to credit risk and impairment losses related to amounts due from related parties is disclosed in note 19.

Notes *(continued)*

13 Trade and other receivables

	2021	2020
	£	£
Trade receivables	**258,062**	50,968
Prepayments	**249,700**	232,942
Other receivables	**630**	459
	508,392	284,369

14 Cash and cash equivalents

	2021	2020
	£	£
Cash and cash equivalents	**126,257**	194,964
Cash and cash equivalents per statement of cash flows	**126,257**	194,964

15 Amounts due to related parties

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

	2021	2020
	£	£
Evan Evans Transport Limited	**11,125,769**	9,966,973
Rubens Management Services Limited	**798**	-
Trafalgar Travel Ltd	-	-
Insight Travel Services Limited	**40,338**	142,652
Radical Travel Group Limited	-	-
Travcorp Management Services Limited	**14,423**	66,802
TTC Travel Group	**2,309**	7,073
	11,183,637	10,183,500

The company's exposure to liquidity risk related to amounts due to related parties is disclosed in note 19.

16 Trade and other payables

	2021	2020
	£	£
Trade payables	**190,079**	32,033
Other taxes and social security	**32,306**	(12,708)
Accrued expenses and deferred income	**227,358**	160,013
	449,743	179,338

Notes (continued)

17 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 in order to eliminate the shortfall by 30 November 2030.

During the year ended 31 December 2021 £25,601 was charged against profits in respect of the defined benefit scheme *(2020: £27,758)* and £13,305 was charged against profits in respect of the defined contribution scheme *(2020: £18,049)*.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) (2020: 14%) of its invested assets in long-dated gilts, which reduce the scheme's interest-rate risk by approximately 13% (2020: 11%).

Plan assets consist of the following:

	2021	2020
Present value of funded defined benefit obligations	**41,163**	44,773
Fair value of plan assets	**(33,453)**	(30,230)
Net liability	**7,710**	14,543

Movement in the present value of the defined benefit obligation:

	2021 £000	2020 £000
Liability for defined benefit obligations at 1 January	**44,773**	40,988
Interest cost	**572**	811
Benefits paid by the plan	**(1,502)**	(843)
Actuarial (gains)/losses recognised in equity	**(2,680)**	3,817
Liability for defined benefit obligations at 31 December	**41,163**	44,773

Notes *(continued)*

17 Employee benefits (continued)

Movement in fair value of plan assets:

	2021	2020
	£000	£000
Fair value of plan assets at 1 January	**30,230**	27,344
Interest income	**387**	544
Employer contributions	**524**	571
Benefits paid by the plan	**(1,502)**	(843)
Actuarial gains recognised in equity	**3,814**	2,614
Fair value of plan assets at 31 December	**33,453**	30,230

Notes *(continued)*

17 Employee benefits *(continued)*

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

	2021	2020
	£000	£000
Interest cost	**186**	267
	186	267

Plan assets consist of the following:

	2021	2020
	£000	£000
Equity securities	**24,489**	22,952
Bonds	**5,201**	5,672
Property	**1,174**	1,263
Cash	**2,589**	343
	33,453	30,230

	2021	2020
	£000	£000
Interest credit (on plan assets)	**387**	544
Actual return on plan assets	**4,200**	3,157

Actuarial assumptions:

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

	2021	2020
	%	%
Discount rate at 31 December	**1.9**	1.3
Future salary increases	**3.7**	3.0
Future pension increases on benefits accrued from 1997 to 2008	**3.7**	3.6
Future pension increases on benefits accrued post 2008	**3.1**	2.9
Rate of increase on deferred pensions	**3.0**	2.3
Retail Price Inflation - pre-retirement	**3.7**	3.0
Retail Price Inflation - post-retirement	**3.3**	3.0
Consumer Price Inflation - pre-retirement	**3.0**	2.3

Notes *(continued)*

17 Employee benefits *(continued)*

History of plans

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

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Present value of the defined benefit obligation	**(41,163)**	(44,773)	(40,988)	(36,468)	(44,689)
Fair value of plan assets	**33,453**	30,230	27,344	22,651	27,331
Deficit in the plan	**(7,710)**	(14,543)	(13,644)	(13,817)	(17,358)
Experience adjustments on plan liabilities	**(0.5%)**	1.3%	1.6%	1.4%	2.5%
Experience adjustments on plan assets	**11.4%**	8.6%	14.1%	(8.0%)	5.5%

No adjustments have been made to the mortality assumption at year end to reflect the potential effects of COVID-19 as we believe it is unlikely to provide a reliable indicator of future experience.

18 Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
4,800 Ordinary shares of £1 each	**4,800**	4,800

19 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 additions, various financial instruments (e.g. trade receivables, trade payables, 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.

Notes *(continued)*

19 Financial risk management objectives and policies *(continued)*

Credit risk

The intercompany balances are not considered to represent a significant credit risk by the directors. Amounts shown in the statement of financial position represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments. The maximum exposure at the reporting date was:

	2021	2020
	£	£
Amounts due from related parties	**1,258,893**	1,249,808
Trade receivables	**508,339**	284,369
Cash and cash equivalents	**126,257**	194,964
	1,893,489	1,729,141

Exposure to credit risk

Credit risk with respect to trade receivables is monitored on an ongoing basis by the credit control team and finance management. The terms of debt vary but tend to be within 30 days of recognition of sales. There are no significant debtor balances at the balance sheet date; the largest individual balance was £169,939 and is considered fully recoverable.

Receivables by age and ECLS losses

	Gross	**ECLS**	Gross	Impairment
	2021	**2021**	2020	2020
	£	**£**	£	£
Not past due	**154,211**	-	6,711	-
Past due 0-30 days	**20,244**	-	18,912	-
Past due 31-120 days	**46,004**	-	16,402	-
120+ days	**37,603**	-	8,943	-
	258,062	-	50,968	-

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. There are no long-term borrowings.

Trade and other payables relate mainly to third party trade payables; with a balance of £190,078 (*2020:* £19,305). These and related party payables of £190,078 (*2020:* £19,305) are payable within twelve months of the year end.

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 percent of this rate would result in a difference in annual pre-tax profit of £1,263 (2020: £1,950), based on company cash and cash equivalents and financial instruments at 31 December 2021. At the balance sheet date £126,257 *(2002:* £194,964*)* was invested with Royal Bank of Scotland, this being the full amount invested in any bank.

Currency risk

The company operates within the UK and transacts in GBP and is therefore not exposed to risk in respect of the movement in foreign exchanges rates at the year end.

Notes *(continued)*

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.

20 Leases

Right-of-use assets

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 and buildings £	Total £
Balance at 1 January 2021	758,888	**758,888**
Disposal of right-of-use assets	-	**-**
Depreciation charge for the year	(86,730)	**(86,730)**
Balance at 31 December 2021	672,158	**672,158**

Amounts recognised in profit or loss

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

	2021	2020
Leases under IFRS 16	**£**	£
Interest expense on lease liabilities	**20,316**	**20,316**

21 Loans and borrowings

	2021	2020
Non-current liabilities	**£**	£
Lease liabilities	**83,837**	82,395
Current liabilities		
Lease liabilities	**593,377**	677,215
	677,214	759,610

Notes *(continued)*

22 Related party transactions

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

	2021 £	2020 £
Cost of sales:		
Evan Evans Transport Limited – Provision of passenger transport services	**352,190**	770,395
Administrative expenses:		
Insight Travel Services Limited	**224,900**	187,751

During the year, the company paid commissions on sales made on its behalf to other members of the group as follows:

	2021 £	2020 £
Cost of sales:		
Contiki Services Limited	**369**	21,286
Montague Management Services Ltd	**2,478**	-
Rubens Management Services Ltd	**4,509**	-
Milestone Management Services Ltd	**631**	-
Travcorp Asia Limited	-	51,042
Travcorp (UK) Limited	-	2,460
	7,987	74,788

23 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 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, Companies House, Crown Way, Cardiff CF14 3UZ.