Insight Travel Services Limited

Annual report and financial statements

Registered number 1970858

For the year ended 31 December 2022

Registered number 1970858

Contents

Directors' report

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

Principal activity

The principal activity of the company is the provision of administrative services.

Business review

The financial performance during the year was reduced following the recovery from the COVID-19 pandemic on the group's activities and because the Government's Furlough Scheme has ceased but is expected to return towards normal levels in 2023. Both the level of business and the year-end financial position were considered satisfactory.

Results and dividends

The loss for the year, after taxation, was £25,278 *(2021: £53,678 profit).*

No dividend was paid during the year (*2021: £nil*).

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 18 to the financial statements.

Directors

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

Derek Howie
Jillian Gattrell (appointed 22 February 2022)
Benjamin Hall (resigned 22 February 2022)

Derek Howie
Director
18th September 2023

14 Grosvenor Place
London
SW1X 7HH

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of comprehensive income
for the year ended 31 December 2022

	Note	**2022**	2021
		£	£
Revenue	*2*	**1,612,244**	1,325,050
Other income	*2*	**-**	77,776
Cost of sales		**(1,613,919)**	(1,330,296)
Operating (loss) / profit	*3,4*	**(1,675)**	72,530
Finance income	*6*	**877**	13
Finance expense	*7*	**(3,024)**	(4,262)
(Loss) / profit before tax		**(3,822)**	68,281
Taxation	*8*	**(21,456)**	(14,603)
(Loss) / profit for the year		**(25,278)**	53,678
Total comprehensive income for the year		**(25,278)**	53,678

All results in the current and preceding year relates 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 8 to 24 form an integral part of these financial statements.

Registered number 1970858

Statement of changes in equity

for the year ended 31 December 2022

	Share premium £	Share capital £	Retained Earnings £	Total £
At 1 January 2021	17,145,100	40,000	(12,901,631)	4,283,469
Total comprehensive income for the year	-	-	53,678	53,678
At 31 December 2021 and 1 January 2022	**17,145,100**	**40,000**	**(12,847,953)**	**4,337,147**
Total comprehensive income for the year	-	-	(25,278)	(24,278)
At 31 December 2022	**17,145,100**	**40,000**	**(12,873,231)**	**4,311,869**

The notes on pages 8 to 24 form an integral part of these financial statements.

Registered number 1970858

Statement of financial position
as at 31 December 2022

	Note	2022	2021
		£	£
Non-current assets			
Plant and equipment	*9*	**48,216**	61,013
Right of use assets	*19*	**142,772**	214,158
Deferred tax asset	*13*	**2,208**	23,638
		193,196	298,809
Current assets			
Amounts due from related parties	*10*	**4,092,574**	4,351,196
Trade and other receivables	*11*	**40,311**	7,703
Cash and cash equivalents	*12*	**326,614**	196,537
		4,459,499	4,555,436
Total assets		**4,652,695**	4,854,245
Non-current liabilities			
Loans and borrowings	*17*	**(74,518)**	(147,754)
		(74,518)	(147,754)
Current Liabilities			
Amounts due to related parties	*14*	**(6,302)**	(116,214)
Trade and other payables	*15*	**(186,770)**	(164,473)
Tax payable		-	(16,681)
Loans and borrowings	*17*	**(73,236)**	(71,976)
		(266,308)	(369,344)
Total liabilities		**(340,826)**	(517,098)
Net Assets		**4,311,869**	4,337,147
Equity			
Share capital	*21*	**40,000**	40,000
Share premium		**17,145,100**	17,145,100
Retained loss		**(12,873,231)**	(12,847,953)
Total Equity		**4,311,869**	4,337,147

Registered number 1970858

Statement of financial position *(continued)*
as at 31 December 2022

For the year ended 31 December 2022 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 18th September 2023 and were signed on its behalf by:

Derek Howie

Derek Howie
Director

The notes on pages 8 to 24 form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 December 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
(Loss) / profit for the year		**(25,278)**	53,678
Adjustments for:			
Depreciation	*9*	**21,921**	30,872
Depreciation – ROU Asset	*19*	**71,386**	71,386
Finance income	*6*	**(877)**	(13)
Finance Expense	*7*	**3,024**	4,262
Taxation expense	*8*	**21,431**	14,603
		91,607	174,788
Decrease / (increase) in trade and other receivables		**226,014**	(55,142)
(Decrease) / increase in trade and other payables		**(87,615)**	34,560
		230,006	154,206
Taxation paid		**(16,681)**	(41,251)
Net cash used in operating activities		**213,325**	112,955
Cash flows from financing activities			
Payment of lease liabilities		**(75,000)**	(75,000)
Net cash used in financing activities		**(75,000)**	(75,000)
Cash flows from investing activities			
Interest received		**877**	13
Acquisition of plant and equipment	*9*	**(9,124)**	(1,713)
Proceeds from sales of plant and equipment		**-**	3,645
Net cash used in investing activities		**(8,247)**	1,945
Net increase / (decrease) in cash and cash equivalents		**130,078**	38,900
Cash and cash equivalents at 1 January	*12*	**196,537**	156,637
Cash and cash equivalents at 31 December	*12*	**326,614**	196,537

The notes on pages 8 to 24 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Insight Travel Services Limited ("the company") is a company incorporated in the UK. The registered number is 01970858 and the registered address is 14 Grosvenor Place, London, SW1X 7HH.

The company's 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 under historical cost accounting rules.

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

Going concern

The Company's financial statements have been prepared on a going concern basis which the directors believe to be appropriate following the recovery from the global COVID-19 crisis, for the following reasons.

At the year end, the Company had net assets of £4,311,869 and net current assets of £4,193,191. It manages its day to day and medium-term funding requirements through cash balances. These cash balances are forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business. Following the recovery from the COVID-19 pandemic, cash flow is expected to return to pre-pandemic levels in 2023.

The Company is a subsidiary of the Group headed by The Travel Corporation Limited (the Group). The Company is reliant on other Group companies for its income as it provides management and other services to fellow subsidiaries of the Travel Corporation and it is integral to the operations of the Group. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern. As such, the directors of the Company have had regard to the Group which has prepared financial forecasts, which the Group Directors have reviewed, comprising operating profit, balance sheet and cash flows covering a period of at least 12 months from the date of these financial statements. The Group finances its working capital through cash balances and has significant liquidity available to cope with additional cash requirements following the recovery from COVID-19 The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its ultimate parent company, The Travel Corporation Limited, to meet its liabilities as they fall due during the period ending 31 December 2024 , the going concern assessment period.

The Travel Corporation Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. 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 Company 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 on-going 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 or judgements in relation to these financial statements.

Revenue

The Company applies the following five step model;

1) Identification of a contract to provide administrative services
2) Identification of performance obligations within that contract
3) Determination of the transaction price as outlined within the contract for the provision of administrative 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.

Revenue is recognised at the point in time when the service is provided.

Non-derivative financial instruments

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

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.

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."

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

1 Accounting policies *(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 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 cash equivalents

Cash and cash equivalents comprise cash balances 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.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

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 Insight Travel Services 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.

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

1 Accounting policies *(continued)*

Plant and equipment

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

Depreciation is charged to the statement of comprehensive income 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:

Short leasehold property	10% on cost
Fixtures and fittings	10% - 25% on cost

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Expenses

Operating lease payments

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

Financing income and expenses

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

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

Capital Management

The company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

The company has no external debt as at 31 December 2022 and is not subject to externally imposed capital requirements; management of capital therefore focuses around its ability to generate cash from its operations.

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

1 Accounting policies *(continued)*

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:

IFRS 16 'Leases'

The Company has applied IFRS 16 using the modified retrospective approach.

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. At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. 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.

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.

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.

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

2 Revenue

The turnover and pre-tax result are wholly attributable to the company's main activity, being the provision of data processing, administration and other services to other group companies.

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

	2022	2021
	£	£
Major service lines		
Management Fees - UK	**284,458**	222,923
Management Fees – Guernsey, Channel Islands	**1,327,786**	1,102,127
	1,612,244	1,325,050

	2022	2021
	£	£
Other income		
Government support and grants	-	77,776
	-	77,776

Included within other income is £nil *(2021: £77,776)* relating to the Government Job Retention Scheme. Having met all conditions for payment, these Government grants are recognised on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. The company has elected to present such grant income separately as other income.

3 Expenses

Included in profit are the following:

	2022	2021
	£	£
Depreciation	**21,921**	30,872
Depreciation on ROU Asset	**71,386**	71,386

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

4 Staff numbers and costs

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

	Number of employees	
	2022	2021
Administration	**29**	25

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£	£
Wages and salaries	**949,100**	789,727
Social security costs	**99,488**	78,445
Other pension costs	**331,462**	166,907
	1,380,050	1,035,079

5 Remuneration of directors

	2022	2021
	£	£
Directors' emoluments	**126,105**	113,241

Retirement benefits are accruing to the following number of directors under:

	Number of directors	
Defined contribution schemes	**1**	1

6 Finance income

	2022	2021
	£	£
Bank interest receivable	**877**	13

7 Finance Expense

	2022	2021
	£	£
Interest expense on lease liabilities	**3,02**	4,262

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

8 Taxation

Recognised in the statement of comprehensive income

	2022	2021
	£	£
Current tax expense		
Current year	-	16,680
Adjustment to prior years	**27**	-
	27	16,680
Deferred tax expense		
Origination and reversal of temporary differences	**21,429**	(2,077)
Total tax in statement of comprehensive income	**21,456**	14,603

Reconciliation of effective tax rate

	2022	2021
	£	£
Current tax reconciliation		
(Loss) / profit on ordinary activities before tax	**(3,822)**	68,281
Tax using the UK corporation tax rate of 19% *(2020: 19%)*	-	12,973
Effects of:		
Non-deductible expenses	**20,887**	2,698
Depreciation on non-qualifying assets	**542**	1,010
Adjustments to prior year	**27**	(2,078)
Total tax in statement of comprehensive income	**21,456**	14,603

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

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

9 Property, Plant and Equipment

	Property Improvements £	Office equipment, fixtures & fittings £	Total £
Cost			
Balance at 1 January 2021	53,176	177,311	230,487
Acquisitions	-	1,713	1,713
Intergroup disposals	-	(6,997)	(6,997)
Balance at 31 December 2021	**53,176**	**172,027**	**225,203**
Balance at 1 January 2022	53,176	172,027	225,203
Acquisitions	-	9,124	9,124
Intergroup disposals	-	-	-
Balance at 31 December 2022	**53,176**	**181,151**	**234,327**
Depreciation			
Balance at 1 January 2021	26,036	110,634	136,670
Depreciation charge for the year	5,318	25,555	30,872
Disposals	-	(3,353)	(3,353)
Balance at 31 December 2021	**31,354**	**132,836**	**164,190**
Balance at 1 January 2022	31,354	132,836	164,190
Depreciation charge for the year	2,852	19,069	21,921
Disposals	-	-	-
Balance at 31 December 2022	**34,206**	**151,905**	**186,111**
Net book value			
At 31 December 2021	21,822	31,191	61,013
At 31 December 2022	**18,970**	**29,246**	**48,216**

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

10 Amounts due from related parties

	2022	2021
	£	£
Other Group Companies		
Travcorp Management Services Limited	**432,482**	1,819,610
Travel Corporation Asia (UK) Ltd	**7,830**	21,916
Travcorp UK Ltd	**139,291**	516,687
AAT Kings Tours (UK) Ltd	**48,342**	6,254
Insight Travel Group Limited	**95,503**	95,503
Radical Travel Group Limited	**708,794**	861,041
Follow Me 2 Ltd	**216**	-
TTC Group Services Ltd	**13,881**	80,668
Evan Evans Tours Limited	**112,970**	40,338
Tracoin Services Limited	**252,355**	139,619
Contiki Services Limited	**287,967**	104,227
Insight Vacations Ltd	**-**	176
TTC Travel Group Ltd	**1,992,943**	665,157
	4,092,574	4,351,196

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

The company's exposure to credit risk and impairment losses related to amounts due from related parties is disclosed in note 18.

11 Trade and other receivables

	2022	2021
	£	£
Other trade receivables and prepayments	**40,311**	7,703
	40,311	7,703

12 Cash and cash equivalents

	2022	2021
	£	£
Cash and cash equivalents	**326,614**	196,537

The company's exposure to interest and currency risks and a sensitivity analysis for financial assets and liabilities is disclosed in note 18.

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

13 Deferred tax assets

Recognised deferred tax asset

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

The movement in the deferred taxation during the year:

	2022 £	2021 £
At 1 January	**23,638**	21,560
Recognised in statement of comprehensive income	**(21,430)**	2,078
At 31 December	**2,208**	23,638

14 Amount due to related parties

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

	2022 £	2021 £
Insight Group Ltd	**6,302**	6,302
Rubens Management Services Limited	-	41,250
Kelburn Property Limited	-	68,662
	6,302	116,214

The company's exposure to liquidity risk related to amounts due to related parties is disclosed in note 18.

15 Trade and other payables

	2022 £	2021 £
Trade payables	**5,644**	4,003
Other payables and accruals	**6,621**	16,858
PAYE and social security	**30,010**	19,378
Pension fund	**140,676**	124,234
VAT	**3,819**	-
	186,770	164,473

The company's exposure to liquidity risk related to trade and other payables is disclosed in note 18.

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

16 Pension scheme

Pension plans

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

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

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

To deal with the deficit, the participating employers have agreed to pay deficit contributions of £91,801 per month from May 2023 in order to eliminate the shortfall by 31 May 2026.

During the year ended 31 December 2022, in relation to Insight Travel Services Limited, £260,442 was charged against profits in respect of the defined benefit scheme (2021: £99,555) and £71,020 was charged against profits in respect of the defined contribution scheme (2021: £67,352).

The contribution paid by the entity has been estimated based on the membership of the scheme at the date that future accrual ceased and adjusted for length of membership of the company if appropriate.

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

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

Movement in the present value of the defined benefit obligation:

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

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

16 Pension scheme *(continued)*

Movement in fair value of plan assets:

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

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

Expense recognised in statement of comprehensive income

	2022 £000	2021 £000
Interest cost	**133**	186
	133	186

Plan assets consist of the following:

	2022 £000	2021 £000
Equity securities	**20,892**	24,489
Bonds	**5,408**	5,201
Property	**1,035**	1,174
Cash	**918**	2,589
	28,253	33,453

	2022 £000	2021 £000
Interest credit (on plan assets)	**640**	387
Actual return on plan assets	**(5,753)**	4,201

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

16 Pension scheme *(continued)*

Actuarial assumptions:

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

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

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.

History of plans

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

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Present value of the defined benefit obligation	**(25,471)**	**(41,163)**	(44,773)	(40,988)	(36,468)
Fair value of plan assets	**28,253**	**33,453**	30,230	27,344	22,651
Surplus / (deficit) in the plan	**2,782**	**(7,710)**	(14,543)	(13,644)	(13,817)
Experience adjustments on plan liabilities	**(0.4%)**	**(0.5%)**	1.3%	1.6%	1.4%
Experience adjustments on plan assets	**(22.6%)**	**11.4%**	8.6%	14.1%	(8.0%)

17 Other interest-bearing loans and borrowings

Non-current liabilities	2022 £	2021 £
Lease liabilities	**74,518**	147,754
	74,518	147,754
Current liabilities		
Current portion of lease liabilities	**73,236**	71,976
	73,236	71,976

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

18 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.

Credit risk

The company has no external credit risk at the year end. The intercompany balances are not considered to represent a significant credit risk by the directors.

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

	2022	2021
	£	£
Amounts due from related parties	**4,092,574**	4,351,196
Cash and cash equivalents	**326,614**	196,537
	4,419,188	4,547,733

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 £186,770 *(2021: £164,473)* and amount due to related parties £6,302 *(2021: £116,214)* are payable within six 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% in this rate would result in a difference in annual pre-tax profit of £3,266 based on company cash, cash equivalents and financial instruments at 31 December 2022.

Foreign exchange risk

The company is not exposed to any foreign exchange risks.

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)

19 Leases (IFRS 16)

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 9):

	Fixtures & fittings	**Total**
	£	**£**
Balance at 1 January 2022	214,158	214,158
Additions to right-of-use assets	-	-
Depreciation charge for the year	(71,386)	(71,386)
Balance at 31 December 2022	142,772	142,772

Amounts recognised in profit or loss

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

	£
2022 - Leases under IFRS 16	
Interest expense on lease liabilities	3,024

	£
2021 - Operating leases under IFRS 16	
Lease expense	4,262

20 Related party transactions

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

	2022	2021
	£	£
Rent:		
Kelburn Properties Limited	**75,000**	75,000
	75,000	75,000

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

20 Related party transactions *(continued)*

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

	2022	2021
	£	£
Revenue:		
Radical Travel Group Limited	**96,174**	75,175
Travcorp Management Services Limited	**82,324**	64,349
Travcorp UK Limited	**43,881**	34,300
Tracoin Services Limited	**17,572**	13,735
Contiki Services Limited	**2,604**	2,604
Evan Evans Tours Limited	**2,604**	2,604
Follow Me 2 Limited	**720**	-
AAT Kings Tours (UK) Limited	**38,579**	30,156
TTC Travel Group Ltd	**1,327,786**	1,102,127
	1,612,244	1,325,050

21 Share capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid		
40,000 Ordinary shares of £1 each	**40,000**	40,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

22 Ultimate Parent Company

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