Registered number: 02665024

NST Travel Group Limited

Annual Report and Financial Statements

For the year ended 31 August 2021

NST Travel Group Limited

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For the year ended 31 August 2021

Contents

NST Travel Group Limited

Officers and Professional Advisers

Directors

S Craven
A G Jones
L T Creighton

Registered Office

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Brooklands Way
Whitehills Business Park
Blackpool
Lancashire
FY4 5LW

Registered number:

02665024 (England and Wales)

Auditor

Deloitte LLP
Statutory Auditor
Bristol
United Kingdom
BS1 6GD

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Addleshaw Goddard LLP
One St Peter's Square
Manchester
M2 3DE

NST Travel Group Limited

Strategic Report
For the year ended 31 August 2021

The Directors, in preparing this strategic report have complied with Section 414c of the Companies Act 2006.

Principal activities

The principal activity of the company and its subsidiary continues to be that of tour operators, specialising in Educational travel.

Strategic and operational review

The ultimate parent company is Aldgate Education Topco Limited, a company registered in Jersey. The financial statements relate to the year ending 31 August 2021. Aldgate Education Topco Limited group consists of the company and its wholly owned subsidiaries.

The operating profit for the year ended 31 August 2021 of £10.1m shows an increase on the previous year's operating loss of £2.3m. The company was limited to offering UK trips from April 2021 in line with guidance. In July 2021, amended Department for Education (DfE) guidance allowed schools to resume the planning and booking of international trips for academic year 21/22 and beyond from September 2021.

Profitability was achieved as some trading took place and the company took swift action to limit losses and protect liquidity by:

- utilising the Coronavirus Job Retention Scheme:
- made use of HMRC deferral schemes;
- reduced central overheads; and
- worked with customers to rearrange bookings

The School Travel Sector Stakeholder Group ("STSSG"), was formed in response to the pandemic of which the company was a key member, working together with the DfE to ensure the sector remained supported and able to open in a safe and secure manner when guidance allowed.

Key performance indicators

The Directors use the following key performance indicators to set targets and measure performance:

- Revenue: Revenue for the year was £14.3m (2020: £24.7m)
- EBITDA: EBITDA for the year was £10.1m (2020: -£2.3m)

EBITDA being earnings before interest, taxation, depreciation, amortisation and non-underlying items.

The key performance indicators above were negatively impacted by the Covid-19 pandemic.

Post balance sheet events

In November 2021 the Group secured an extension of existing borrowing facilities from funds or other accounts managed or advised by Ares Management Limited, Ares Management UK Limited and/or Ares Management Luxembourg and/or any affiliate of the foregoing ("Ares") for £35m. £30m of the facility is reserved for development capital expenditure. The Group took the opportunity at that time to reset a number of conditions in favour of the Group namely a delay and amendment to both EBITDA and liquidity covenants.

Future developments

We continue to be confident that there is growth potential in the marketplace for the future especially given a number of key competitors failed during the pandemic. With reduced overhead costs and a focus on tour operations, the directors feel that the company is well positioned, as part of the Aldgate Education Midco 2 Ltd Group of companies, to profitably benefit from growth opportunities.

The Aldgate Education Midco 2 Ltd Group manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance and position of the business. The performance of the Education division which includes the company is discussed in the Aldgate Education Midco 2 Ltd annual report which does not form part of this report.

Strategic Report (continued)
For the year ended 31 August 2021

Future developments (continued)

The directors have assessed the main risk facing the business as being competition from niche operators, as well as further consolidation in the marketplace. However, this threat is mitigated by the company's strengths in its ability to maintain its competitiveness, enhance its commitment to safety and provide customers with a high quality, differentiated product and service that adds significant value.

The directors believe the business with its focused customer service, specialist product range and its continued commitment to safety will enable the company to return to profitability in the coming year.

At the year-end, the company has net assets of £23.8m (2020: £13.9m). The increase in net assets has arisen as a result of the profit for the year.

Going Concern

At the date of approval of the Company's financial statements the sector it operates in is free of any Government restrictions in allowing our key customer groups to book future trips within both the UK and overseas.

The Directors have prepared forecasts for a range of cash flow scenarios from the date of the approval of these financial statements. In all cases the forecasts prepared indicate the Group has sufficient financial resources to continue in operation for the foreseeable future. These scenarios focus on the appetite of schools to commence making future bookings in relation to overseas travel and the timing of a return to normalised trading of this product.

The company is a subsidiary of Aldgate Education Topco Limited, which manages its facilities and working capital across the Group.

The Directors of this company have sought and received an expression of the parent company's commitment to provide such support as may be necessary for the foreseeable future, this has been provided in the form of a letter of support from Aldgate Education Topco Limited declaring the provision of necessary funding to NST Travel Group Limited for at least one full year from the approval of these financial statements. In relying on this support, the Directors have considered Aldgate Education Topco Limited's ability to continue to provide this support through the borrowing facilities available to it and have concluded that the group has adequate resources to continue to operate for at least the next 12 months from the date of signing of the accounts.

The Directors therefore have prepared the financial statements on a going concern basis.

Brexit Risk

While the negotiation of a Brexit deal has resolved some areas of Brexit risk, the limited understanding of the longer-term impact of the deal on the UK continues to foster a degree of consumer uncertainty. The Directors do not anticipate this will to have a material impact to performance. The company is exposed to fluctuations in the value of sterling particularly relative to the Euro. To mitigate that risk the Aldgate Education Midco 2 Group has entered into forward currency exchange contracts. Whilst travel could be affected by the outcome of Brexit, the Directors do not anticipate it having a material impact to trading conditions. Directors are proactive in monitoring risks and will take quick and decisive action where necessary to mitigate such risks.

Climate Risk

As consumers become more environmentally aware and consider their carbon footprint this could have an adverse effect on demand. NST Travel Group Limited are working at ways to offset its carbon usage by, reducing electricity use, moving to green energy, reducing plastic usage, reducing printing and postage and implementing a plant a tree scheme.

Results and Dividends

The profit on the ordinary activities of the company before taxation for the year amounted to £10.1m (2020: loss £2.4m). The profit after tax of £9.9 m (2020: loss £2.0m) has been transferred to reserves.

No dividend is proposed for the year ended 31 August 2021 (2020: £nil) and no dividends have been proposed post year end.

Financial Risk Management Objectives

The company finances its operations through a mixture of retained profits and, where necessary to fund expansion or capital expenditure programmes, through funding from the parent company, HB Education Limited and the ultimate group parent company Aldgate Education Topco Limited.

Strategic Report (continued)
For the year ended 31 August 2021

Financial Risk Management Objectives (continued)

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The directors of Aldgate Education Midco 2 Limited manage these risks at a group level, rather than at an individual business level. For this reason, the directors of NST Travel Group Limited believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of NST Travel Group Limited. The financial risk management objectives and policies of the Aldgate Education Midco 2 Limited group, which include those of the company are in the group's annual report, which does not form part of this report.

Employee Involvement and Communication

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and regular communication between relevant parties. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Covid-19

The Covid-19 pandemic has had a significant effect on the Group and has presented unprecedented challenges. In response, the Board has been holding regular calls and receiving weekly liquidity reports during the financial year. The STSSG, was formed in response to the pandemic of which the Group was a key member, working together with the DfE, Public Health England and competitors to ensure the sector remained supported and able to open in a safe and secure manner when guidance allowed. A significant number of the Groups employees were furloughed under the Coronavirus Job Retention Scheme. Training was provided for management to ensure clear and open communication channels were maintained for those furloughed. The Group has also taken advantage of Government support in the payment of VAT, PAYE and Corporation Tax.

Section 172 statement

The Group's long-term success is at the forefront of the Board's thinking and the Directors have full regard for their duties and the matters set out in Section 172 of the UK Companies Act 2006. This information which follows in this section describes how, in performing their duties during the year, the Directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006.

Long-term consequences of decision-making (s172(1)(a))

The Board delegates day-to-day management and decision making to its senior management team, but it maintains oversight of the Company's performance, and reserves to itself specific matters for approval, including significant new business initiatives. Then, by receiving regular updates on business programmes and objectives, the Board monitors that management is acting in accordance with agreed strategy. Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Groups long-term success.

Employees (s172(1)(b))

Our people are essential to our success, future growth, and our aim to build leading market positions. We see their key concerns as being job security and opportunities to develop and advance their careers. We continue to invest substantial time and effort to employ, train, develop and retain employees who are passionate about our business and have influence in our key functional areas. The group engages with its employee through surveys which enables the feedback on their views on what we do well, and what we can do better. Management review the feedback in meetings and implement changes where necessary.

Strategic Report (continued)
For the year ended 31 August 2021

Section 172 statement (continued)

Stakeholder Engagement (s172(1)(c))

The board recognises that relationships with NST Travel Limited's key stakeholders, including its investors, lenders, employees, customers, and suppliers are important in helping the Company to achieve its business aims.

Engagements takes place with our stakeholders at all levels across NST Travel Limited, and the size, diversity of our business and business on a day-to-day basis.

global nature of the Group means that it can take many different forms. Much of it takes place at an operational level, and this is especially true in respect of our customers and suppliers, with whom we deal in the ordinary course of

Stakeholder Engagement (s172(1)(c))

The board considers and discusses information from across the organisation to help it understand the impact of NST Travel Limited operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Act.

Investors

Investors aim to maximise returns at the level of risk they are willing to assume. Consequently, investor concerns revolve around having continued access to the information they need to assess the relevant risks and ultimately achieving the expected return on their investment.

The long-term success of the company could be adversely affected if investors perceive the required information to be unavailable or unreliable. This in turn could affect their propensity to invest (or reinvest) and the price at which they would be willing to do so. This could hamper the company's ability to achieve its long-term goals.

This structure also serves to ensure that all members of the company, i.e., major investor Ares and senior management, are fairly represented and considered (s172(1)(f)).

Lenders

Like investors, lenders also look to achieve a return on funds they have lent to the Company under the debt facilities they make available. However, returns are generally lower, given risk is lowered through a series of mitigating actiions, including the seniority of the facilities in the inter-creditor agreement, securing the facilities with assets of the company setting finncial covenants which the company must achieve, and prescribing other obligations which the company must fulfil (including information undertakings).

Lenders are primarirly concerned with maintaining the risk level of their lending and as such a company's continued compliance with all obligations related to the facilities. Lenders are also subject to strict anti-money laundering ("AML") regulations, so another key concern is ensuring that they are not aiding money laundering in any way.

The long-term success of the company could be adversley affected if it fails to comply with any of the obligations under it's Senior Facilities Arranagement (SFA). This could put the company into default which could be costly to remedy or at worst mean that all the facilities become due and payable on demand. Any such failures could also affect the company's ability to secure future borrowings and impact the related costs.

Under the current SFA a syndicate of lenders provides the company with the liquidity it requires both for working capital purposes, as well as investment in capital projects and acquisitions. As such, is is a key stakeholder in the continued growth of the company.

The lenders receive financial information from the company on a monthly and quarterly basis and members of the Board also met with the lenders on several occasions during the year. These sessions helped to broaden the lenders' understanding of the business and answer their questions on trading and forecasts. Ammendmnets to the SFA were. also negotiated and enacted during the year and the company complied with all complicance requests received during the year.

Strategic Report (continued)
For the year ended 31 August 2021

Section 172 statement (continued)

Customers

The company is defined by its ability to meet the needs of its customer base. It endeavours to develop mutually beneficial partnerships which drives the long-term success of all parties. Customer concerns centre around the availability, quality and price of products and services and open and honest communications.

Engagement with customers takes place mainly at an operational level within our business areas through telephone conversations, ongoing dialogue through dedicated sales and operations teams, customer relationship managers, and in respect of material customer issues, through our senior management team.

During the year the Board received updates on key customer issues through regular board meetings.

Suppliers

The Board recognises the key role our suppliers play in ensuring the quality of our products and that as a business we meet the high standards of conduct that we set ourselves; both areas playing an important part in the long-term success of the company.

The company works with both large international suppliers as well as small, independent family-run businesses. We aim to be fair and ethical in dealings with all out suppliers, pay them on agreed terms and be a collaborative and responsive partner, which we believe addresses their key concerns.

Community and environment (s172(1)(d))

We engage with the communities in which we operate to build trust and understand local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and be responsible stewards of the environment.

Reputation for high standards of business conduct (s172(1)(e))

The board is responsible for developing a corporate culture which promotes integrity and transparency. It has established systems of corporate governance, and approves policies and procedures which promote corporate responsibility and ethical behaviour.

The need to act fairly between members of the company (S172(1)(f))

The board has a responsibility to ensure that there is no information assymentry and that all members receive the same infoirmation. The board has established reporting, meetings and information sharing systems to ensure that members are treated fairly

The Strategic Report of NST Travel Group Limited, registered number 02665024 was approved by the Board of Directors on 17 December 2021 and signed on its behalf by:

L T Creighton
Director
17 December 2021

NST Travel Group Limited

Directors' Report
For the year ended 31 August 2021

The directors present the Annual Report and the audited financial statements for the year ended 31 August 2021. Under section 414(C) (11) of the Companies Act 2006 the directors have opted to disclose information regarding financial risk management policies, future developments, customers and suppliers, subsequent events and dividends in the Strategic Report.

Going Concern

The directors have prepared the financial statements on a going concern basis. Further details on the basis of preparation are given in note 3 to the financial statements.

Directors

The directors who served during the year and thereafter, unless otherwise noted, were as follows:

S Craven
A J Bracey (Resigned 30 November 2021)
A C Clegg (Resigned 30 November 2021)
N A Currie (Resigned 30 November 2021)
A G Jones
L T Creighton (Appointed 11 February 2021)
C R Hayward (Resigned 11 February 2021)

Donations

During the year ended 31 August 2021, the company made charitable donations of £nil (2020: £nil).

Director Indemnities

Aldgate Education Topco Limited maintain liability insurance for the Directors and officers of Aldgate Education Topco Limited and its subsidiaries. Neither the insurance nor the indemnity provides cover where a Director acts fraudulently or dishonestly. The Company has made qualifying third-party indemnity provisions for the benefit of the Group's Directors which were made during the year and remain in force at the date of this report.

Information to Auditor

Each of the persons who is a director of the company at the date of approval of this report and financial statements confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act, 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved by the board of directors and signed on its behalf by:

L T Creighton

Director

17 December 2021

Directors' Responsibilities Statement
For the year ended 31 August 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of NST Travel Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NST Travel Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditor's report to the members of NST Travel Group Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include UK Companies Act and Tax Legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include Health and Safety legislation, ABTA and ATOL laws and CAA Bonds.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

Cancellation Income

We identified a fraud risk in relation to Revenue recognised in relation to trips that did not depart due to Covid-19 restrictions. Our procedures to respond to the risk identified included the following:

- Reviewing guidance issued by relevant governments in relation to Covid-19 restrictions and assessing the impact on the entity's operations
- Reviewing communications between the entity and third parties to identify settlement of deposits and future bookings where relevant
- Performing substantive procedures to establish whether events between original trip date and the period end contradict the recognition of Revenue in relation to trips
- Performing substantive procedures to identify discrepancies between income recognised and supporting documentation

Independent auditor's report to the members of NST Travel Group Limited (continued)

Claims Provisions & Contingent Liabilities

We have identified a fraud risk in relation to certain third party claims which management are disputing. Our procedures to respond to the risk identified included the following:

- Enquiring of management and legal counsel concerning the claims received and potential liabilities arising from them and reviewing their responses
- Reading minutes of meetings of those charged with governance
- Performing substantive procedures to reconcile data within the claims to entity reports and identify any differences
- Performing post period-end procedures to identify any potential new liabilities and/or changes in circumstances that would impact the accounts to 31 August 2021

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of NST Travel Group Limited (continued)

Use of our report

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

Andrew Wright

Andrew Wright FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Bristol, United Kingdom

17 December 2021

Profit and Loss Account
For the year ended 31 August 2021

	Note	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Turnover	5	14,253	24,722
Cost of sales		193	(24,330)
Gross profit		14,446	392
Administrative expenses		(5,431)	(5,469)
Other operating income	7	1,101	2,787
Operating profit/(loss)		10,116	(2,291)
Interest receivable and similar income	10	-	2
Interest payable and similar expenses	11	(12)	(98)
Profit/(Loss) before taxation		10,104	(2,387)
Tax on profit/(loss)	12	(235)	365
Profit/(Loss) for the financial year attributable to owners of the Company		9,869	(2,022)

The accompanying notes form an integral part of these financial statements.

Turnover and operating profit/(loss) are all derived from continuing operations.

The Company has no other comprehensive income or expense in either year other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

NST Travel Group Limited

Balance sheet
As at 31 August 2021

	Note	At 31 August 2021 £'000	At 31 August 2020 Restated* £'000
Fixed assets			
Intangible assets	13	-	-
Right of use assets	14	3,162	3,356
Property, plant and equipment	15	5	10
Investments	16	76,343	76,087
		79,510	79,453
Current assets			
Stocks	17	-	4
Debtors	18	2,326	1,830
Cash at bank and in hand		4,358	10,900
		6,684	12,734
Creditors: Amounts falling due within one year	19	(58,976)	(74,700)
Net current liabilities		(52,292)	(61,966)
Total assets less current liabilities		27,218	17,487
Creditors: Amounts falling due after more than one year	19	(3,407)	(3,545)
Net assets		23,811	13,942
Capital and reserves			
Called up share capital	21	150	150
Profit and loss account		23,661	13,792
		23,811	13,942

*See note 16 for detail on the restatement of the prior period balance.

The accompanying notes form an integral part of these financial statements.

The financial statements of NST Travel Group Limited (registered number 02665024) were approved by the board of directors and authorised for issue on 17 December 2021.

They were signed on its behalf by:

L T Creighton
Director
17 December 2021

NST Travel Group Limited

Statement of changes in equity
For the year ended 31 August 2021

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 September 2019	150	15,814	15,964
Loss for the year, being total comprehensive loss	-	(2,022)	(2,022)
Balance at 31 August 2020	150	13,792	13,942
Profit for the year, being total comprehensive income	-	9,869	9,869
Balance at 31 August 2021	150	23,661	23,811

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 August 2021

1. General information

NST Travel Group Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England. The address of the registered office is Discovery House, Brooklands Way, Whitehills Business Park, Blackpool, FY4 5LW. Registered number 02665024.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

2. Adoption of new and revised Standards

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation*	The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.
Annual Improvements to IFRS Standards 2015–2017 Cycle *IAS 12* Income Taxes and *IAS 23* Borrowing Costs	The Company has adopted the amendments included in the *Annual Improvements to IFRS Standards 2015–2017 Cycle* for the first time in the current year. The *Annual Improvements* include amendments to four Standards, two of which in respect of IFRS 3 and IFRS 11 are not applicable to the Company. IAS 12 *Income Taxes* The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. IAS 23 *Borrowing Costs* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
IFRIC 23 *Uncertainty over Income Tax Treatments*	The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to: • determine whether uncertain tax positions are assessed separately or as a group; and • assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings: o If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

3. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 100) 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group financial statements of Aldgate Education Midco 2 Limited.

These financial statements are separate financial statements. The company is exempt under section 400 of the companies act 2006 from the preparation of consolidated financial statements, because it is included in the group financial statements of Aldgate Education Midco 2 Ltd. The group financial statements of Aldgate Education Midco 2 Ltd are available to the public and can be obtained as set out in note 23.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out below.

Going Concern

At the date of approval of the Company's financial statements the sector it operates in is free of any Government restrictions in allowing our key customer groups to book future trips within both the UK and overseas.

The Directors have prepared forecasts for a range of cash flow scenarios from the date of the approval of these financial statements. In all cases the forecasts prepared indicate the Group has sufficient financial resources to continue in operation for the foreseeable future. These scenarios focus on the appetite of schools to commence making future bookings in relation to overseas travel and the timing of a return to normalised trading of this product.

The company is a subsidiary of Aldgate Education Topco Limited, which manages its facilities and working capital across the Group.

The Directors of this company have sought and received an expression of the parent company's commitment to provide such support as may be necessary for the foreseeable future, this has been provided in the form of a letter of support from Aldgate Education Topco Limited declaring the provision of necessary funding to NST Travel Group Limited for at least one full year from the approval of these financial statements. In relying on this support, the Directors have considered Aldgate Education Topco Limited's ability to continue to provide this support through the borrowing facilities available to it and have concluded that the group has adequate resources to continue to operate for at least the next 12 months from the date of signing of the accounts.

The Directors therefore have prepared the financial statements on a going concern basis.

Intangible assets

Intangible assets related to internally generated intangible assets for website and mobile application development expenditure. Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the Company's website and mobile application development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated

3. Significant accounting policies (continued)

Intangible assets (continued)

intangible asset can be recognised, development expenditure is recognised in the profit and loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which is 33% straight-line. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets that are purchased in the normal course of business are initially recognised at cost. Subsequently to initial recognition purchased intangible assets are reported as cost less accumulated amortisation and accumulated impairment losses. Amortisation for purchased intangible assets is recognised on a straight-line basis over their estimated useful lives which is 33% straight-line.

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Computer and IT Equipment	25% straight line
Plant and machinery	10% straight line
Fixtures and fittings	25% straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the financial statements (continued)
For the year ended 31 August 2021

3. Significant accounting policies (continued)

Impairment of tangible and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. Significant accounting policies (continued)

Financial instruments (continued)

De-recognition of financial assets (continued)

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Significant accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the average rates of exchange prevailing during the month of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Turnover recognition

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when the risks and rewards are transferred to the customer and this is considered by the directors to be the date of departure.

Other operating income

Other operating income is measured at the fair value of the consideration received or receivable and represents the amounts receivable, excluding VAT and similar taxes, for the services provided to the *group companies*. Other operating income is recognised in the profit and loss account on the date when the service has been provided.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Stocks

Stock represents restaurant vouchers and attraction tickets held by the Company for resale. Stock is valued at the lower of cost and net realisable value, after making due allowances for slow moving and obsolete items.

Leases

The company continues to recognise all leases in line with IFRS 16

IFRS 16 changed how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

(a) Recognises right-of-use assets and lease liabilities in the balance sheet, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii); and

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within the administrative expenses item.

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the balance sheet for the year ended 31 August 2021 was 2.9% (2020: 2.9%).

3. Significant accounting policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss 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. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered and concluded that there are no critical accounting judgements or key sources of estimation uncertainty impacting the financial statements.

5. Turnover

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Continuing operations		
United Kingdom	14,090	22,634
Republic of Ireland	163	2,088
Total turnover	14,253	24,722

Presented above is the turnover analysed by geographical location (source market). Turnover is wholly attributable to the principal activity of the Company as noted in the strategic report.

6. Profit/(loss) for the financial year

Profit/(loss) for the year has been arrived at after (crediting)/charging:

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Net foreign exchange gains	(60)	(84)
Amortisation of intangible assets	-	2
Depreciation of tangible fixed assets	5	4
Depreciation of right of use assets	194	195
Staff costs (see note 10)	2,740	3.692
Inventory Expenses	4	21
Operating lease costs:		
Land and Buildings	250	250
Plant and Equipment	9	10

Government support in relation to the Covid-19 pandemic: During the year the company received Government support of £1,038k (2020: £700k) in relation to the Coronavirus Job Retention Scheme. Coronavirus Job Retention Scheme benefit is recognised in other operating income.

As at 31 August 2021 deferred PAYE payments totalled £391k (31 August 2020: £305k).

7. Other operating income

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Management charged received from NST Transport Services Limited	63	2,087
Coronavirus Job Retention Scheme	1,038	700
	1,101	2,787

8. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £31,850 (2020: £28,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of Aldgate Education Midco 2 Ltd to disclose such fees on a consolidated basis.

Notes to the financial statements (continued)
For the year ended 31 August 2021

9. Staff costs

The average monthly number of employees was:

	Year ended 31 August 2021 Number	Year ended 31 August 2020 Number
Office and management	49	75
Sales and tour operators	71	82
	120	157

Their aggregate remuneration comprised:	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Wages and salaries	2,374	3,247
Social security costs	196	233
Other pension costs	170	211
	2,740	3,692

S Craven, C R Hayward, N A Currie, A J Bracey, A C Clegg, A G Jones and L T Creighton were also directors of other Aldgate Education Midco 2 Limited group companies and were remunerated by these companies with no recharges made to NST Travel Group Limited, as the directors do not receive any emoluments in respect of services to NST Travel Group Limited.

10. Interest receivable and similar income

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Interest receivable:		
Bank deposits	-	2
Total interest receivable	-	2

11. Interest payable and similar expenses

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Interest payable to group companies	12	98
Total interest payable	12	98

12. Tax

Corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the period can be reconciled to the profit in the profit and loss account as follows:

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Corporation tax:		
Current tax on profit/(loss) for the year	239	(367)
Deferred tax: (note 20)		
Current Year	(4)	5
Adjustments in respect of prior years	-	1
Effect of changes in tax rates	-	(3)
	235	(365)

In the March 2021 Budget, the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. This change has been enacted at the balance sheet date but the corporation tax rate used for the year ended 31 August 2021 is 19%.

The directors are not aware of any other factors that will materially affect the future tax charge.

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Profit/(loss) before tax	10,104	(2,387)
Tax at the UK corporation tax rate of 19% (2020: 19%)	1,920	(454)
Adjustments in respect of prior years	(47)	45
Tax rate changes	(7)	(3)
Group relief (claimed)/surrendered	(1,631)	47
Tax expense/(credit) for the year	235	(365)

Group relief has been claimed from other group companies under Aldgate Education Midco 2 Limited.

Notes to the financial statements (continued)
For the year ended 31 August 2021

13. Intangible assets

	Product Development £'000
Cost	
At 1 September 2020	12
At 31 August 2021	12
Amortisation	
At 1 September 2020	12
At 31 August 2021	12
Net book value	
At 31 August 2021	-
At 31 August 2020	-

The amortisation period for product development costs incurred on the Company's travel app (Vamoos) is 3 years.

14. Right of use assets

	Land and buildings £'000	Total £'000
Cost		
At 1 September 2020	3,551	3,551
At 31 August 2021	3,551	3,551
Accumulated depreciation		
At 1 September 2020	195	195
Charge for the year	194	194
At 31 August 2021	389	389
Carrying amount		
At 31 August 2021	3,162	3,162
At 31 August 2020	3,356	3,356

Right-of-use assets

	2021 £'000	2020 £'000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	194	194
Interest expense on lease liabilities	95	99
Expense relating to leases of low value assets	9	9
Total fixed lease payments made	250	250

At 31 August 2021, the Company is committed to £nil for short-term leases (2020: £nil).

15. Tangible assets

	Computer and IT equipment £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2020	56	12	455	523
At 31 August 2021	56	12	455	523
Accumulated depreciation				
At 1 September 2020	56	6	451	513
Charge for the year	-	2	3	5
At 31 August 2021	56	8	454	518
Carrying amount				
At 31 August 2021	-	4	1	5
At 31 August 2020	-	6	4	10

16. Fixed asset investments

	Shares in Group undertakings £'000	Amounts owed by Group undertakings *Restated £'000	31 August 2020 *Restated £'000
As at 1 September 2020 (as reported)	2	-	2
Amounts reclassified	-	76,085	76,085
As at 1 September 2020 (restated)	2	76,085	76,087
Movement on amounts owed by Group undertakings	-	256	256
As at 31 August 2021	2	76,341	76,343

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. No impairment occurred in either the current or prior period.

*In previous years intercompany balances have all been treated as current assets due to the balances being repayable on demand. During the year Management have re-assessed the classification of amounts owed by fellow group subsidiaries of Aldgate Education Topco, the group. Through this process Management have determined that such amounts should have always been classified as fixed assets given there is no intention for these balances to be repaid in the short term and they are held for ongoing use in the business. As such this error has been corrected and the comparative has been restated resulting in a reclassification of £76,085 from current assets to fixed assets

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment (2020: same).

Notes to the financial statements (continued)
For the year ended 31 August 2021

16. Other investments (continued)

Fixed asset investments

Details of subsidiary undertakings at 31 August 2021 were:

Company and registered office	Country of registration or incorporation	Principal activity	Class	Proportion and class of shares held %
NST Transport Services Limited Discovery House, Brooklands Way Whitehills Business Park, Blackpool FY4 5LW	England	Transport	Ordinary	100

The company's voting rights in respect of its subsidiary undertaking is held in the same proportion as the company's share of the ordinary share capital of the subsidiary.

17. Stocks

	At 31 August 2021 £'000	At 31 August 2020 £'000
Finished Goods	-	4

There is no material difference between the balance sheet value of stocks and the replacement cost.

18. Debtors

	At 31 August 2021 £'000	At 31 August 2020 Restated* £'000
Amounts falling due within one year:		
Trade debtors	25	853
Amounts owed by fellow subsidiaries of Aldgate Education Midco 2 Limited	-	-
Other debtors	1,797	696
Prepayments	474	255
Deferred taxation (note 21)	30	26
	2,326	1,830

Trade debtors disclosed above include amounts paid to suppliers in advance of departure and amounts owed by customers.

*See note 16 for detail on the restatement of the prior period balance.

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment (2020: same).

19. Creditors

Amounts falling due within one year	At 31 August 2021 £'000	At 31 August 2020 £'000
Trade creditors	274	900
Amounts owed to fellow subsidiaries of Aldgate Education Midco 2 Limited	53,809	54,022
Accruals	844	412
Deferred income	3,311	18,704
Corporation Tax	315	86
Other creditors	21	21
Other taxation and social security	243	400
Right of use liability	159	155
	58,976	74,700

Amounts falling due after more than one year	At 31 August 2021 £'000	At 31 August 2020 £'000
Deferred income	321	300
Right of use liability	3,086	3,245
	3,407	3,545

Amounts owed to Group undertakings are unsecured, bear no interest and have no fixed date of repayment (2020: same).

The deferred income arises as a result of bookings with a departure date after the financial year end. The turnover will be recognised at the date of departure.

20. Deferred tax

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior reporting period.

	Retirement Benefits £'000	Fixed Assets £'000	Total £'000
At 1 September 2020	4	22	26
Charge to profit or loss	1	3	4
At 31 August 2021	5	25	30

Management has assessed, based on the latest forecasts that the Company is expected to generate sufficient profits in future periods to conclude that the deferred tax asset is recoverable.

21. Share capital

	At 31 August 2021 £'000	At 31 August 2020 £'000
Authorised, issued and fully paid:		
142,500 'A' ordinary shares of £1 each	143	143
7,500 'B' ordinary shares of £1 each	8	8
	150	150

All shares rank equally in all respects.

The profit and loss account is the aggregate of the cumulative profit and loss, other comprehensive income less dividends paid.

22. Related party transactions

The Company has taken advantage of the reduced disclosure exemption available in FRS 101(8k) to disclose transactions entered into between the Company and other fully owned subsidiaries of Aldgate Education Midco 2 Limited.

There were no other transactions with related parties.

23. Ultimate parent company

In the opinion of the directors, the company's ultimate parent company is Aldgate Education Topco Limited and the ultimate controlling party is Holiday Investment S.à r.l, a company incorporated in Luxembourg.

The smallest and largest group for which group financial statements have been drawn up is that headed by Aldgate Education Midco 2 Limited. The financial statements can be obtained from its registered address at Aldgate Education Midco 2 Limited, Alton Court, Penyard Lane, Ross-On-Wye, Herefordshire, HR9 5GL.

The immediate parent undertaking is HB Education Limited.