Travelopia Group Holdings Limited
(formerly TIM Intermediateco Limited)

Reports of the Directors and the financial statements
for the financial year to 30 September 2020

Company Number 10604770

The Directors present their Strategic and Directors' Reports on the consolidated financial statements of Travelopia Group Holdings Limited (the 'Company') for the financial year ended 30 September 2020. The Company is the parent company of the Travelopia group of companies (the 'Group') and changed its name from TIM Intermediateco Limited to Travelopia Group Holdings Limited on 30 April 2020.

STRATEGIC REPORT

Principal activity and business model

The Group's principal activity during the financial year continued to be that of a tour operator and experiential holiday provider, owning specialist travel brands across the world. The Company's principal activity is to act as a holding company.

Travelopia is a pioneer in the specialist travel sector, with an extensive portfolio of independently operated brands, most of which are leaders in their sector. The Group is headquartered in the UK providing customers with unique travel experiences, including adventure travel, safaris, large and private jet tours, polar expeditions, tailor-made luxury holidays, yacht and river boat charter holidays, educational and sporting based school trips and corporate hospitality and sporting event fan travel. Our brands are as diverse as they are exciting, creating unforgettable experiences for our customers across the world.

Our dedication to delivering the very best travel experiences has won us praise not only from our customers, but also from travel professionals and trade publications. We pride ourselves on offering a seamless and specialised customer journey, from the exceptional service and in-depth knowledge of our sales teams, to our best-in-class tour guides and concierges around the globe. As a result of this dedication, our customer satisfaction and loyalty is incredibly high across our entire portfolio. Our brands frequently receive industry awards and media recognition for their offering.

The range of source markets and destinations covered by Travelopia brands spans all seven continents. This breadth means we can be at the forefront of emerging travel trends and allows us to spot opportunities for exciting and innovative new product. We cater to all sorts of travellers, whether they're looking for an expertly led group tour or a tailor-made adventure. Whilst the majority of our portfolio is positioned towards the higher end of the experiential offering, we do have a number of brands offering more affordable price points for those on a mid-range budget.

The Group's businesses

Adventure: The Adventure division provides a range of premium adventure holidays and expeditions worldwide, including Exodus Travels and Zegrahm Expeditions, which have been providing adventure holidays and expeditions for over 45 and 30 years respectively.

TCS World Travel ('TCS') has hosted guests on around the world private jet expedition trips for over 25 years. Our all-inclusive journeys deliver unparalleled and meaningful experiences, with exceptional service, in unique destinations around the globe. Our expertise has led us to be one of the most-awarded jet expedition company in the world, winning accolades in the Travel + Leisure World's Best Awards, AFAR Travelers' Choice Awards, Conde Nast Traveller Readers' Choice Awards and Departures Legend Awards, amongst others.

Quark Expeditions ('Quark'): For over 25 years, Quark Expeditions has taken our guests on Arctic and Antarctic polar expeditions, where wildlife interactions thrive and the landscape never fails to astonish and captivate. With a diverse fleet of specially equipped vessels, unique land-based adventures and seasoned expedition leaders, Quark offers travelers unparalleled access to the most remote regions on Earth.

Enchanting Travels: A tailormade luxury travel specialist which provides exclusive, customised travel experiences for guests primarily from North America, Western Europe and Australia. Tours to Asia, Africa, South and Central America and Antarctica are built on an intricate awareness of these destinations and an outstanding team of professionals. Through our outstanding personalised itineraries and service, our guests uncover not just natural and man-made wonders, but also a country's cultural heritage, essence, and soul.

Tailormade: The Tailormade division focuses on luxury holidays and personalised itineraries to both worldwide destinations, predominantly aimed at UK outbound travellers through brands including Hayes & Jarvis, Sovereign and Citalia. The division also provides holidays to customers living in Ireland and some parts of Scandinavia.

STRATEGIC REPORT (continued)

Le Boat: The Le Boat division is the market leader of inland waterway boating holidays on European canals and rivers, targeting couples, families and adult groups for over 40 years. Being one of the largest operator of self-drive boating holiday across Europe, our guests are able to explore the Thames, Scotland, Ireland, France, Germany, Belgium, Holland, Italy and Ontario, Canada from over 25 bases, all from a completely unique perspective – from their tranquil and picturesque waterways. With no experience required, anyone can set off on their own river adventure.

Yachts: The Yachts division is home to two of the world's largest Yacht charter companies, consisting of sailing catamarans, monohull yachts and powered catamarans. The division offers a range of sailing holiday experiences in over 20 stunning destinations under The Moorings and Sunsail brands to predominantly North American and European source markets, with customers going to the Mediterranean and Caribbean, including the British Virgin Islands. The division also sells the multiple award-winning sail and powered Leopard Catamarans, designed by South African yacht builder, Robertson and Caine.

US Tour Ops: The US Tour Operators division provides affordable, fully and self-guided tour and cruise tour travel to Alaska, Hawaii and Europe with particular focus on catering for the US market by two brands, YMT Vacations and Europe Express.

Events: The Events division sells tours for both amateur clubs, teams and supporters to key sporting events around the world to sports clubs, individuals and agents for onward sale, as well as hospitality packages to Wimbledon and other UK events. Annual, biennual and quadrennial events include the Ashes, the Lions Tour and the Rugby World Cup, which can lead to natural fluctuations in performance over time depending on event timing.

Education: The Education division operates across the UK and, prior to its disposal during the financial year, North America. The division provides a range of educational, expedition and leisure tours as well as residential trips to educational providers such as schools, colleges and universities. Destinations include Normandy in France, Washington DC and Walt Disney World in Florida. The schools expedition brand (World Challenge) also operates in Australia, New Zealand, South Africa and the Middle East, as well as the UK. On 4 November 2019, the Group disposed of two US and two Canadian businesses, which formed the majority of the North American division. One further US business within this division was subsequently disposed in July 2020. The North American Education division forms a discontinued operation for the purposes of these Group financial statements.

Year in review

This financial year has been a particularly challenging year for our Group, as it has been for the rest of the travel, tourism and hospitality industries. Up until the start of March 2020, the Group's financial performance was very strong and on track for a record financial performance. However, as Covid-19 became a global pandemic and national lockdowns and travel restrictions were put in place, it became evident that the Group's ability to operate would be heavily impacted.

The immediate response was to safely repatriate our customers from all parts of the world. As travel restrictions were imposed, the Directors had to make decisions and act quickly to reduce costs and protect the financial position and liquidity of the Group. These included, but were not limited to:

- Reviewing all variable and fixed costs to reduce them where possible. This included permanent office closures, part closures and re-locations; re-negotiation, reduction and temporary delays of supply contracts; reduction in the scope of IT capex projects; and a reduction of marketing activities;
- Agreeing salary reductions of varying levels across the Group, including the Group's Executive Leadership Team. No management bonuses have been awarded across the Group for the financial year;
- All of the Group's businesses have seen some element of restructuring, redundancies and use of national governments' job retention schemes, such as the Coronavirus Job Retention Scheme in the UK;

STRATEGIC REPORT (continued)

- Closure of some of our smaller branded businesses and internal reorganisation of other businesses; and
- Taking advantage of available tax rebates and credits in accordance with national government schemes.

The directors also drew down on the Group's available revolving credit facility and agreed a covenant test holiday for the four quarters up to and including March 2021 with its lending banks. Further details in respect of the changes and developments in bank covenants and their testing are provided in the Going Concern section below.

As some national lockdowns were eased in the early summer, our Yachts and Le Boat divisions were able to operate in a number of countries. Demand for yacht sales has remained robust throughout the pandemic. Our Le Boat operations re-opened in early Summer across mainland Europe, with strong demand from customers who could travel to reach the European waterways, where our boats are located. Other divisions across the Group have been heavily impacted with little or no revenue since March 2020.

The Directors are confident that demand for our Group's brands remains strong, as evidenced when some marketing campaigns re-commenced towards the end of 2020 with good levels of ensuing bookings. They are also hopeful that, with national vaccination programs which started in December 2020 and Covid-19 testing capacity ever increasing, some global travel restrictions may be eased and/or lifted in the Summer of 2021. As such, the Directors are hopeful that some of our Group's businesses (such as our US Tour Operations, US and Caribbean based Yachts division and our European based Le Boat division) can re-commence operations in Summer 2021. Until such time, the Group will continue to take advantage of government schemes, such as the UK furlough scheme, where available and continue to minimise cash burn across the Group.

Financial performance

The Group organises its businesses into eleven reporting units, as set out below. As is widely reported, the travel industry has been severely impacted by the Covid-19 pandemic. Revenues are less than half the reported revenues of the prior year, the majority of which was earned in the period before global travel restrictions commenced in March 2020.

The Group has also adopted the new financial reporting standard, IFRS 16, in respect of leases, which significantly changes the way in which our Group statutory results are reported compared to the previous financial year. As the Group has elected to adopt this new standard on a prospective basis from the effective date of 1 October 2019, the comparative results are not restated. To provide better comparability, the non-statutory results for the financial year ended 30 September 2020 have also been provided in this Strategic Report on a basis that is consistent with the prior financial year, when the Group applied the previous lease accounting standard, IAS 17.

Further, the results for the financial year ended 30 September 2019 have also been restated to reflect the sale of the North American Education business, which is accounted for as a discontinued operation. As such, the results of this division in both financial years are de-recognised on a line by line basis in the Consolidated income statement, from revenue to loss after tax and included separately and in aggregate, within the result from discontinued operations, after the loss after tax from continuing operations.

The Group's loss before tax from continuing operations for the financial year ended 30 September 2020 was £145.1m (2019 restated: loss of £41.7m). This loss is stated after the inclusion of certain items that are excluded from Adjusted EBITDA. Adjusted EBITDA for the financial year, for which a definition is provided in Note 5 of these financial statements, was a loss of £36.3m (2019 restated: profit of £48.5m). The Directors consider Adjusted EBITDA to be a more suitable measure to assess the performance of the tour operating businesses. Whilst significant judgement can sometimes be required to determine the classification of certain items, the exclusion of the Group's restructuring, acquisition and disposal activities to arrive at Adjusted EBITDA provides an alternative measure of profitability which represents the underlying, maintainable results of the Group. The Directors also consider Adjusted EBITDA provides a more comparable Key Performance Indicator ('KPI') to users of the financial statements and, when IFRS 16 impacts are excluded, is closely aligned to the Group's monthly and quarterly financial reports.

STRATEGIC REPORT (continued)

To effectively measure the development, performance and position of the Group, the following KPIs are of most relevance.

KPI		Financial year ended 30 September 2020 (exc. IFRS 16)	Financial year ended 30 September 2020 (statutory results)	Financial year ended 30 September 2019 (restated)
Number of passengers	Number	**211,843**	**211,843**	579,302
Revenue	£m	**490.3**	**490.3**	1,011.1
Gross margin percentage	%	**13.5**	**13.5**	24.5
Adjusted EBITDA	£m	**(72.6)**	**(36.3)**	48.5
Loss before tax from continuing operations	£m	**(140.4)**	**(145.1)**	(41.7)
Cash	£m	**161.9**	**161.9**	299.4
Net assets	£m	**77.2**	**73.5**	185.4
Average number of employees	Number	**2,649**	**2,649**	3,130

A review of the Group by division/business for the full financial year is as follows. Commentary is initially upon revenues and Adjusted EBITDA as this reflects how the Executive Leadership Team manage and monitor the performance of each business and division. Commentary on items that are disclosed in the consolidated income statement below Adjusted EBITDA is provided subsequently.

Division	Revenue Financial year 2020 £m	Revenue Financial year 2019 (restated) £m
Adventure	**55.1**	155.4
Quark	**67.0**	76.6
TCS	**49.4**	116.6
Yachts	**150.3**	195.7
Le Boat	**27.0**	44.0
Tailormade	**42.9**	152.4
Enchanting Travels	**20.7**	28.1
Events	**17.4**	33.5
UK Education	**37.2**	93.4
US Tour Operators	**23.3**	115.4
	490.3	1,011.1

STRATEGIC REPORT (continued)

Division	Adjusted EBITDA Financial year 2020 (pre-IFRS 16) £m	Adjusted EBITDA Financial year 2020 (statutory result) £m	Adjusted EBITDA Financial year 2019 (restated) £m
Adventure	**(15.4)**	**(13.9)**	4.7
Quark	**1.0**	**15.6**	10.0
TCS	**(5.6)**	**(5.1)**	11.4
Yachts	**(19.6)**	**(5.0)**	12.5
Le Boat	**(0.6)**	**0.8**	13.7
Tailormade	**(12.8)**	**(11.3)**	1.0
Enchanting Travels	**(2.2)**	**(1.9)**	(0.9)
Events	**0.6**	**0.7**	1.3
UK Education	**(5.0)**	**(4.0)**	4.6
US Tour Operators	**(5.7)**	**(5.1)**	7.7
Group, divisional and consolidation	**(7.3)**	**(7.1)**	(17.5)
	(72.6)	**(36.3)**	48.5

Divisional results

As has been widely reported, global travel and hospitality industries have been severely impacted by the Covid-19 pandemic with effect from March 2020. With global lockdowns in place, worldwide leisure travel has been severely restricted and as such, the Group has been significantly impacted. The Group reports a full year Adjusted EBITDA loss of £36.3m (2019 restated: Adjusted EBITDA profit of £48.5m) on revenues of £490.3m (2019 restated: £1,011.1m). Excluding the impact of IFRS 16, the full year Adjusted EBITDA loss for 2020 was £72.6m on revenues of £490.3m. The majority of this revenue was earned in the first half of this financial year.

With reduced revenue earned in the second half of the financial year, the Group took swift and decisive action to reduce costs. Marketing campaigns were reduced so as to minimise discretionary marketing spend, all fixed and variable costs were reviewed and reduced where possible, supplier contracts were re-negotiated where possible and worldwide Government staff furlough schemes have been used where available. Sadly we had to reduce the number of staff in the Group and a number of our worldwide offices have either been permanently or partially closed, with some office consolidation across a number of our entities being expected when there is a return to office-based work in 2021.

At the start of the financial year, our Adventure division contained the Exodus, Trek America, Headwater Holidays, International Expeditions, Zegrahm Expeditions, AmeriCan Adventures and Sawadee branded businesses. During the financial year, we have taken the difficult decision to cease selling our Trek America product, close the AmeriCan Adventures businesses and merge International Expeditions into Zegrahm Expeditions, in order to drive cost reduction until these businesses can restart operations in 2021.

Quark Expeditions had a very good first half of the financial year, resulting in full year revenues of £67.0m, largely from the Winter 2019/20 Season to the Antarctic, which included revenues from its newly built and chartered ship, the World Explorer. With 130 staff and crew, capable of providing six tiers of deluxe accommodation to up to 172 guests, we are proud to have this new ship in our fleet and anticipate a return to travel later in 2021. When it does, Quark will continue to deliver on its "Polar Promise", comprising a four pronged strategy for sustainability, which advances existing initiatives aimed at improving environmental and social outcomes in the polar regions. The strategy is supported by measurable goals and sustainable outcomes to be achieved by 2025. Our latest newbuild ship, the Ultramarine, has been in the construction phase during the financial year with delivery being achieved on 1 April 2021. This purpose built, polar expedition ship will have a longer range, capacity for two twin engine helicoptors, spacious suites, wellness amenities and numerous outdoor wildlife viewing spaces to delight up to 199 guests. With 20 quick-launching Zodiacs, off-ship adventure activities provided will include stand-up paddleboarding, sea kayaking, mountaineering, hiking, cross-country skiing, helicopter flightseeing tours, heli-skiing and heli-hiking.

STRATEGIC REPORT (continued)

FY20 was expected to be a year of transition for TCS World Travel as FY19 was the last full year of its use of two previous planes, ahead of their return in FY20 and two new Airbus A321 NEO Long Range aircraft being delivered in their place. The first of these planes was delivered after the current financial year end, and has since spent Winter 2020 being reconfigured from its standard 220 seats, to having 64 business-class seats and luxury internal equipment.

We were pleased at how strongly our Yachts division has traded throughout the pandemic despite the global travel restrictions. Revenues of £150.3m have been achieved compared to £195.7m in the comparative year, as customers sought their own private yachts around the world to escape the pandemic. Many of the division's bases were able to re-open in the summer months of 2020 as global lockdown measures were eased, allowing other customers to charter yachts for their holidays. As we go into FY21, the Group saw the majority of revenues coming from yacht sales, for which demand remains strong.

A similar welcome story unfolded in our Le Boat division in 2020, as the European waterways re-opened in the summer allowing customers to charter their own private boat whilst remaining in relative isolation on their holiday. Although revenues were down on the previous financial year as a result of the late opening of the season, demand remained strong from European customers who could drive to their chosen waterway destination. It is anticipated that the same strong demand will be seen in the summer of FY21, assuming easing of in-country travel restrictions.

The Tailormade division, featuring brands including Hayes & Jarvis Travel, Citalia, Sovereign Holidays and American Holidays, continued to see a decline against the prior financial year, not only impacted by the ongoing decline of volume sold through TUI's retail stores, but also due to the pandemic. This division has continued to undergo significant restructuring in the financial year: we vacated the Atrium office in Crawley in early 2021; further headcount reductions have unfortunately been necessary; the Travelmood business is being wound down and the operations of Hayes & Jarvis Travel and our Scandinavian businesses have been restructured internally.

Our Events, UK Education and US Tour Operators division were all heavily impacted by the global pandemic with operations largely ceasing as a result of the pandemic. FY20 saw a strong start to the financial year for our Events business, Gullivers Sports Travel, from revenues and profits from the 2019 Rugby World Cup in Japan. Our UK Education division was largely able to fulfil its Winter 2019 school ski season through its Ski Bound business, but is not expecting customers returning to the slopes before the end of 2021. As such, FY21 will continue to see extensive cost reductions to these divisions and across the Group as a whole, as we seek a path through to recovery later in the year.

Items excluded from Adjusted EBITDA

The table below sets out the reconciliation of the Group's Adjusted EBITDA to the Group's loss before tax from continuing operations:

	Year ended 30 September 2020 (pre-IFRS16 result) £m	**Year ended 30 September 2020 (statutory result) £m**	Year ended 30 September 2019 (restated) £m
Adjusted EBITDA	**(72.6)**	**(36.3)**	48.5
Depreciation, amortisation and impairment of non-acquisition related assets	**(29.7)**	**(65.1)**	(32.7)
Acquisition and disposal related items	**(7.8)**	**(7.8)**	(19.6)
Separately disclosed items	**(20.8)**	**(19.4)**	(24.8)
Operating loss	**(130.9)**	**(128.6)**	(28.6)
Net financial expenses	**(9.5)**	**(16.5)**	(13.1)
Loss before tax from continuing operations	**(140.4)**	**(145.1)**	(41.7)

STRATEGIC REPORT (continued)

Depreciation, amortisation and impairment charges on non-acquisition related assets amounts to £65.1m (2019 restated: £32.7m), of which £35.3m is depreciation of, and impairment charges to, right of use leased assets following the adoption of IFRS16, £18.8m (2019: £19.5m) is depreciation and impairment of property, plant and equipment, and £11.0m (2019 restated: £13.4m) is amortisation and impairment of non-acquisition related intangible assets. Further analysis of the composition of these charges is set out in Note 11.

Amortisation charges arise on intangible assets comprising acqusition-related intangibles (namely brands, customer relationships, order book and favourable contracts) and non acquisition-related intangibles (namely computer software). Amortisation charges on acquisition related items of £3.4m (2019 restated: £4.8m) are presented within the category of acquisition and disposal related items since they derive from valuations on the acquisition of businesses, as opposed to the normal course of business. Further information on the Group's intangible assets is provided in Note 18. Also included within acquisition and disposal related items are impairment charges on acquisition related intangible assets. In light of some of the restructuring decisions made due to the Covid-19 pandemic, impairment charges of business combination intangibles totalling £2.5m (2019 restated: £12.2m) have been recognised in the financial year. In the year ended 30 September 2019, impairment charges to the Hayes & Jarvis and Citalia brands were recognised totalling £12.2m as a result of their performance. Further analysis is provided in Notes 11, 12 and 18.

The Group incurred separately disclosed costs of £19.4m (2019: restated £24.8m), £12.9m (2019: £nil) of which arose as a direct result of Covid-19, £3.2m of which arose due to trip cancellation, curtailment and repatriation and £9.7m as a result of management's decisive decisions taken to restructure, re-organise and right-size the Group's operations. Lost revenues and/or profits are not included within separately disclosed costs. Earlier in the financial year, the Group incurred £3.4m (2019 restated: £13.2m) of other restructuring costs. Further Information on all of these costs are included in Note 13.

Net financial expenses of £16.5m (2019: £13.1m) have occurred during the financial year, £6.9m (2019: £nil) of which is due to the first time recognition of interest charges on lease liabilities following the adoption of IFRS 16 'Leases', as well as interest charges on our £100m term loan and £80.0m revolving credit facility totalling £6.8m (2019: £5.1m), the latter of which has been fully drawn since March 2020.

The tax credit (2019: charge) for the financial year totalled £7.3m (2019 restated: £1.5m), principally reflecting the recognition of deferred tax assets in respect of short term timing differences and other items.

Financial position

The Group ended the financial year with £161.9m (2019: £299.4m) of cash on the balance sheet, £15.9m (2019: £60.6m) of which is held in escrow and restricted. The lower cash position compared to the previous financial year reflects the impact of losses arising from the global pandemic.

The Group continues to have a fully drawn £100m (2019: £100m) bank loan with a remaining term of just under four (2019: five) years, which was obtained in 2017 for the purpose of acquiring the Travelopia Group. As part of these banking facilities, the Group also has an £80.0m (2019: £80.0m) revolving credit facility. In response to the global pandemic, the Group drew down on the previously undrawn £65.0m element of the revolving credit facility to provide additional liquidity. There were no changes to the Group's £100.0m bank loan in the financial year, although the Group successfully agreed a debt covenant holiday for the four financial periods up to, and including 31 March 2021. A minimum liquidity covenant was instead put in place for the period of the net debt covenant holiday and this covenant has subsequently been satisfied.

The Group's intangible assets (largely comprising goodwill, brands, customer relationships, beneficial contracts and computer software) totalled £80.3m (2019: £93.4m), the majority of which related to the brands and customer relationships that were valued and recognised on the acquisition of the Travelopia Group in June 2017, whilst the goodwill arose on the acquisition of Enchanting Travels in the previous financial year. A review of the carrying value of all intangible assets has been undertaken as a result of Covid-19, including an assessment of our businesses' actual and expected future performance, which has led to impairment charges totalling £7.5m (2019: £22.1m) being recognised in the current financial year (which includes the £2.5m noted above). The impairment charges principally relate to the impairment of two IT projects and a number of smaller brand values following a business restructure.

STRATEGIC REPORT (continued)

Property, plant and equipment of £202.8m (2019: £202.9m) primarily consists of the Group's marine vessels and owned hotels and bases. Assets under construction include £28.8m (2019: £13.6m) of upfront payments for Quark's new polar expedition ship, the Ultramarine, which was delivered on 1 April 2021 and also for TCS World Travel's luxury interior fitout for use in our two new leased aircraft, both of which have been delivered after the financial year end.

As explained above, the Group has adopted IFRS 16 in respect of leases, which significantly changes the way in which our Group's statutory results are reported compared to: i) the previous financial year; ii) internal management reporting; and iii) monthly and quarterly stakeholder reporting. Right of use assets and lease liabilities have been recognised in the statutory consolidated balance sheet with effect from 1 October 2019. On transition, the Group had 709 operating leases, of which 579 have been capitalised on the balance sheet with a further 132 newly capitalised leases during the financial year, one very significant one of which was Quark's polar expedition ship, the World Explorer. The majority of these leases sit within our Yachts and Le Boat divisions, with yachts/boats being sold to customers and then leased back for a fixed term period so that these divisions can charter these vessels to other holidaying customers whilst still providing access to the leaseholder for their benefit. Total right of use assets held on the balance sheet at 30 September 2020 amounted to £101.2m, £84.3m of which related to expedition ships, yachts and motor boats. Corresponding lease liabilities of £110.4m are also recognised at the balance sheet date.

The Group had already contracted three major new leases in previous financial years; two Airbus A321-200 NEO Long Range aircraft from Titan Airways and the Ultramarine polar expedition ship. In addition, committed expenditure at 30 September 2020 includes £42.5m (2019: £70.1m) for the purchase of new yachts in future years, demonstrating our commitment to signficantly enhancing our Group's asset base, customer experience and profitability growth in the forseeable future.

Total trade and other trade payables amounted to £266.0m (2019: £402.6m), of which £183.6m (2019: £280.4m) relate to customer deposits.

Excluding lease liabilities, total interest-bearing loans and borrowings amounted to £186.4m (2019: £119.1m) at the financial year end, the increase principally arising from the £65.0m drawdown on the revolving credit facility for the purpose of providing additional liquidity in the financial year.

No dividends were paid during either financial year and the Directors do not recommend the payment of a final dividend.

Post balance sheet events and future developments

The current UK and global travel restrictions continue to impact the Group into 2021. At the same time, the roll out of the first vaccines in the UK, the US and other countries around the world is a positive step. Further positive news on vaccine developments and reduced quarantine requirements is encouraging and gives the Directors confidence that bookings will recover in earnest as international travel restrictions ease. Signs of pent up demand have been seen through upticks in bookings following vaccine announcements, expectations of lifting internal European travel restrictions for Summer 2021 and a strong positive reaction to recent promotional activity.

A key focus area for the Group will continue to be cash management and successfully navigating through the pandemic. This includes reduction of discretionary spend, revising marketing investment plans, utilising any new and existing government support schemes, negotiating with suppliers, managing cash phasing through project timing and negotiation, disposing of assets that are are not aligned to our long-term strategy and raising additional financing. This included the disposal in December 2020 of two owned hotels in France within our Ski Bound business for total proceeds of £8.5m, the sale and leaseback of Condover Hall for £5.1m and leveraging our owned yachts and boats for additional financing. Further details are provided in Note 39 of these financial statements.

The Directors remain confident in the future of travel and the recovery commencing in 2021 as the impact of the worldwide vaccination programmes take affect. They are also confident that the Group will be well placed to take advantage of this recovery when it comes.

Going concern
The global spread of Covid-19 in 2020 resulted in global travel restrictions that significantly impacted the Group's and our suppliers' ability to deliver and operate core products in the year ended 30 September 2020 and up to the date of signing these financial statements. As global travel restrictions were imposed, numerous actions were taken immediately to reduce cash burn and protect the financial position of the Group, details of which are in Note 4.

Subsequent to the financial year end, the Group has generated approximately £35m of additional liquidity through disposal of two ski hotels in the Education division; completing a ground rent transaction on our owned activity centre, Condover Hall; implemented inventory financing in the Yachts division and completed on the sale and lease back of part of the Le Boat fleet. Additionally, TCS has agreed to sub-let one of its two leased planes to offset the associated lease costs.

Global travel restrictions continue to have a significant impact on the business. The Group has plans in place for a recovery and return to growth into 2022 and beyond assuming that global travel restrictions are lifted. The Group continues to mitigate cost as much as possible in order to reduce the monthly cash burn and minimise any additional funding that the Group could require in the foreseeable future.

The Directors believe that there is strong pent-up demand in the market, as evidenced through internal and external market research and through increased levels of new bookings following announcements around vaccine progress and relaxing of some travel restrictions. The uncertainty as to the extent of the future impact on the Group as a result of Covid-19 has been considered as part of the Group's adoption of the going concern basis of preparation. While vaccine roll out progress remains strong, particularly in our key source markets, the emergence of new Covid-19 variants and uncertainty around the timing of lifting of travel restrictions results in uncertainty around the timing of booking and departure volume recovery across the Group. The Directors of the Group have therefore assessed the future profitability and liquidity of the Group under various, prudent, travel recovery scenarios, preparing profit and cash forecasts for the year to 30 September 2022 and beyond.

In preparing these scenarios, the Directors have made assumptions around the timing of easing of travel restrictions and therefore the timing around when the different businesses in the Group are expecting to resume operations in a meaningful way. In the "base case" it is expected that businesses offering predominantly short-haul and in-country holidays, such as Tailormade, Le Boat and Yachts, will see some volume recovery first from late Summer 2021 (Q4 FY21). Significant disruption is expected in our long-haul and more complex businesses such as Quark, TCS and the Adventure brands for the remainder of the financial year ending 30 September 2021 ("FY21") with gradual recovery expected to commence from the first quarter of FY22. In this scenario, the Directors believe that the Group would need additional funding in the second quarter of FY22 to enable it to continue to meet its obligations.

In a more severe "downside scenario", the Directors expect to see a similar pattern for the remainder of FY21, but with in-country and drive-to holidays at a lower level than in the base case scenario. For FY22, this scenario includes a much later return to operations for our long-haul and complex trips, in addition to there being very limited activity over the winter months. In this scenario, the Directors estimate that the Group would require additional liquidity in the first quarter of FY22 to enable it to continue to meet its obligations.

The Directors consider that the assumptions made in these scenarios are prudent, with recent booking trends, particularly for FY22 and beyond, being stronger than assumed. Some global travel restrictions for this summer are already being lifted, for example US travel into the Caribbean and travel between Germany and France, which are key routes for the Yachts and Le Boat businesses respectively. Furthermore, the Yacht Sales business continues to perform very strongly and in line with forecasts assumed in the above scenarios.

As noted above, on 4 May 2020, the Directors of the Group obtained a covenant testing holiday from its Senior Lenders for a period of four financial quarters commencing on and including 30 June 2020 in relation to its Net Debt:Adjusted EBITDA ratio covenant ('net debt covenant'). A minimum liquidity covenant was instead put in place for the period of the net debt covenant holiday and this covenant has subsequently been satisfied. Given the ongoing disruption to travel in 2021, an extension to the net debt covenant holiday will be necessary into FY22 and it is expected that the period that the minimum liquidity covenant is in place will be extended accordingly. At the date of signing these financial statements, the Directors have successfully obtained an extension of the net debt covenant test for one quarter to 30 September 2021. A request for a further and longer extension into FY22 will be pursued by the Directors by this date. However, based on the medium- and longer- term outlook for the Group and the strength of its relationship with its Senior Lenders, the Directors of TGHL have a reasonable expectation that a further extension to the net debt covenant holiday will be agreed.

STRATEGIC REPORT (continued)

Compliance with the liquidity covenant referred to above is dependent upon cashflows arising from either the expected return of international travel or alternative financing being obtained. Should the Group require additional liquidity, in addition to third party financing sources, the Group's Directors could also seek to obtain additional liquidity from its ultimate parent. However, as at the date of signing these financial statements this has not been necessary.

Given the above, the Directors of the Group remain confident that with i) a return of some international travel in 2021 and into 2022; ii) the expectation of an extension of the net debt covenant holiday; and iii) the ability to source additional funding from its ultimate parent if necessary; there is a reasonable expectation that the Group will continue as a going concern for the foreseeable future. Accordingly, the Directors of the Company have concluded that it is appropriate to prepare these financial statements on a going concern basis. However, as neither the bank covenants have yet to be extended to cover FY22 nor additional financing required under base and downside case put in place as at the date of signing these financial statements, there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

Section 172 (1) Statement
The information provided below is intended to explain how the Directors considered the interest of the Company's key stakeholders and the broader matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the Company under section 172 of the Companies Act 2006. Their duty has been central to the Board's decision-making processes and outcomes since the commencement of the Group in June 2017.

Long-term consequences of decision-making
The Board maintains oversight of the Group's performance, delegating day-to-day management and decision-making to its Executive Leadership Team ('ELT'), whilst reserving specific matters for approval, including strategic direction and signficant new business initiatives. By receiving regular updates on business initiatives and plans, the Board is able to monitor how the ELT are performing in accordance with the agreed strategy. Processes are in place and regular meetings are held with the ELT to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Company's long-term success.

The Group operates within the regulatory environment in which international travel regulators mandate. This can include the protection of customers monies and periodic financial covenant testing. This provides a framework for the way in which our regulated businesses operate over the long term and coupled with this is our shareholders' desire to maximise the Group's value over time, ensuring that the long term outlook underpins strategic decision-making at Board level.

In our Group financial statements for the year ended 30 September 2019, we set out the key pillars for our Group's long term growth strategy, which included: the Group's acquisition of Enchanting Travels; the acquisition of a new polar expedition cruise ship in Quark; the leasing of two new Airbus planes, fitted out to the highest level of specification; the disposal of our North American Education business and some of our smaller branded businesses; the investment into two major IT projects; and the continuing re-build and re-opening of our yacht base in the British Virgin Islands following Hurricane Irma in September 2017.

Reputation for high standards of business conduct
The Board is responsible for ensuring integrity and transparency in its conduct and has established systems of corporate governance and approves policies and procedures that promote corporate responsibility and ethical behaviour.

Key policies that have been implemented include an Anti-Bribery and Corruption policy and a Trade Sanctions policy. An ethics hotline has also been established where employees can report any concerns of potential policy breaches anonymously. Further, as noted in the Directors' Report, the Group's Modern Slavery Act Statement describes the steps it has taken to ensure that slavery and human trafficking were not taking place in the context of any of the Group's businesses during the financial year.

STRATEGIC REPORT (continued)

Stakeholders and our engagement with them
The Directors consider the following to be the Group's key stakeholders. The Board seeks to understand and balance the respective interests of each of stakeholder, ensuring that they are duly and properly considered in the Board's decisions.

We ensure regular communication with our stakeholders through various channels, including the provision of information through telephone calls and meetings (virtual since March 2020), presentations and through submission of managment reporting documentation. It is also two-way, so that the views of stakeholders can be considered in the decision-making process. Much of it takes place at an operational level, this being especially true in respect of our customers and suppliers, with whom we deal in the ordinary course of business on a day-to-day basis.

The Board considered and discussed information from across the organisation to help it understand the impact of the Group's operations and the interests and views of our key stakeholders. It also reviews strategic, 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 presentations.

Our owners, KKR. We are ultimately owned by KKR & Co. Inc ('KKR'), a leading global investment company that manages multiple alternative asset classes including private equity funds, with total assets under management of over $200bn at 30 June 2020. KKR take a partnership approach to ownership, enabling our Group to benefit from the breadth and expertise of their entire firm. They believe that the combination of their industry knowledge, investment experience and operational expertise, partnering closely with management teams with a track record of success, provides them with an edge in identifying and creating value in investment opportunities. This structure also serves to ensure that all members of the Group (i.e. KKR and the ELT) are fairly represented and considered.

Our lending banks. The Group has a syndicate of globally leading lending banks, which, at its inception in June 2017, provided it with a £100m term loan facility and additional £80m revolving credit facilities. As such, the syndicate is a key stakeholder in the continued growth of the Group.

The long-term success of the Group could be adversely affected it is fails to comply with any of the obligations under its Senior Facility Agreement ('SFA'). A failure to comply could put the Group into default which could be costly to remedy or at worst mean that the facilities become due and payable on demand. Any such failures could also affect the Group's ability to secure future borrowings and impact the related cost.

We report to our banking syndicate on a monthly basis by the provision of monthly financial reports, as well as presentations at various times throughout the year. These meetings help broaden the lenders' understanding of the Group's businesses and answer their questions on trading and forecasts.

During the financial year, as a result of the global pandemic, it became clear that it was not going to be possible to meet the net debt:EBITDA ratio financial covenant due to EBITDA losses in the year. Following discussions with our lenders, a covenant holiday for the four quarters from April 2020 to March 2021 was agreed. In doing so a minimum liquidity covenant was agreed for the period of the covenant holiday. This liquidity covenant has been met from its enactment and continues to be met at the date of signing these financial statements.

Our worldwide regulators, including the Civil Aviation Authority (the 'CAA'), IATA and ABTA. As a global travel group, we are regulated by a number of travel regulators and regulations. We seek a constructive and cooperative relationship as we comply with applicable laws, regulations and licencing conditions. Throughout the financial year, to meet the CAA's ATOL Licence requirements, a ring fence structure has been in place around our operating businesses and which stipulate minimum liquidity levels and maximum gross debt levels within this ring fence. Flows of cash out of this ring fence are also regulated by the CAA with certain transactions requiring CAA consent.

STRATEGIC REPORT (continued)

As part of our licence renewal process in September 2020, we agreed with the CAA to enact a change to our internal ring fencing Group such that this CAA ring fence is more tightly applied to those businesses regulated by the CAA rather than across the whole Travelopia Group. This new ring fence was enacted in January 2021.

We are also required to abide by IATA and other country specific laws and regulations in respective of matters such as payments for ticketing and holding customer monies.

Our bond providers. A feature of the regulated industry in which the Group operates is that of travel bonds, which provide a form of financial protection that many regulators require us to provide, as an effective means of providing consumer protection.

Our employees. Our Group could simply not exist and provide the experiences and customer satisfaction without the hard work and dedication of all of our employees. Regular communication with our employees is undertaken through video and meeting presentations, 'town hall' meetings and emails. It is of paramount importance to us that we adhere to all laws and regulations in respect of employment law in the areas we operate and employ people in across the world and ensure that everyone of our employees are valued at all times.

Clearly in such challenging times, we see their key concerns as being job security and opportunities to develop and advance their careers. Many of our employees, including the ELT have helped us by agreeing to salary and/or hours reductions, unpaid leave, Government furlough schemes or other changes so as to reduce the cost of payroll, for which the Board is extremely grateful. It is with deep regret that we have had to take the decision to restructure and right-size our businesses and we wish those who have left the Group well for the future.

Our guests. We recognise that our guests have such a large choice of holidays, expeditions and tours to choose from and that they are always eager to take on new adventures. We need to impress them all the time, every time. As such, we will always seek to delight them, providing experiences that our competitors find difficult to emulate, allowing us to differentiate ourselves and continue to be, or become, the market leader. We will constantly pursue the ultimate customer experience with a can-do spirit so that our guests will want to return year after year.

Engagement with guests takes place mainly at an operational level within our business areas through feedback and customer ratings. We continue to be delighted in the high levels of customer satsifaction scores we achieved before the global pandemic and we made sure that every one of our customers could get back to the UK at the start of the pandemic, however challenging and at whatever cost this was.

Our suppliers. Our Group depends on global travel. As such, we rely on airlines for our guests to travel and our hotel suppliers for them to stay in. But our supplier list is so much broader than that, including the suppliers that build our new polar expedition cruise ship and our two new planes, including those who will fit these out to the highest of specifications, our yachts and boats that we buy to sell onto our customers, those who transfer our guests during their holidays and provide supplies for our expeditions and those that provide the services for our offices and infrastructure to name just a few.

We aim to be fair and ethical in dealings with all our suppliersand be a collaborative and responsive partner.

Communities. We actively engage with the communities in which we operate to build trust and understand the 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 travel holidays. Thoughout our Group, we are committed to promoting responsible tourism and we aim to protect the environments and the local people in the destinations our customers travel to. The long term success of our Group goes hand in hand with the way we treat our environment and the people in our destinations. Below are two examples of how our divisions aim to help local communities and drive responsible tourism.

Exodus Travels, for example, empowers and protects the communities and environments they take our guests to visit through its Exodus Travels Foundation. Launched in 2019, the Foundation's mission is to harness the power of travel to improve life in hard-to-reach places. It consolidates decades of support for life-changing, community-based projects across the world, none of which could have happened without the long term motivation, generosity and endeavours of their community of colleagues, guests and partners.

STRATEGIC REPORT (continued)

Quark Expeditions is profoundly committed to environmentally responsible tourism. Their Polar Promise, a comprehensive sustainability strategy framework, incorporates sustainability initiatives into a cohesive plan and is made up of four pillars: i) embedding responsible business principles; ii) reducing our carbon footprint and waste sent to landfills; iii) conservation and impact in polar environments; and iv) building our guests' polar legacy. Further information on our Polar Promise can be found at www.quarkexpeditions.com/sustainability.

Board decisions

The Board has always considered the impact of its decisions on its stakeholders and acknowledges that one decision can impact multiple stakeholders at the same time, some of which may be beneficial to one stakeholder could be detrimental to others. In doing so, the Directors ensure that they act in the way they consider, in good faith, would most likely promote the success of the Group for the benefit of its shareholders and stakeholders as a whole. Set out below are some examples of how the Board has done so over the financial year ended 30 September 2020.

Sale of the North American Education division. In November 2019, the Board approved and executed the sale of the North American Education division. Financial information relating to the sale can be found in Note 17 of these financial statements. We were proud to have these excellent travel businesses in our Group, but the Board considered that the long term success of the Group requires some simplification of our Group's brands following the sale by TUI AG in June 2017.

Board decisions as a response to the Covid-19 global pandemic. When the Covid-19 pandemic hit, countries around the world entered into lockdown periods, which meant that international travel largely ceased. With little revenues flowing into the Group for much of the rest of the financial year, the Board have had to make numerous and extensive decisions to reduce costs throughout the Group. These decisions are set out in the section "Year in Review" above.

Principal risks and uncertainties

Successful management of existing and emerging risks is critical to the long-term success of our Group and to the achievement of our strategic objectives. Some levels of business risk must be accepted to seize market opportunities and achieve these objectives. Risk management is therefore an integral component of the Group's governance and oversight.

The Covid-19 pandemic continues to impact on the travel industry with many travel restrictions still in place The continued positive news on global vaccination programmes is expected to reduce the length of time that global travel restrictions and social distancing measures will be in place for. The Group's management continues to monitor developments closely so that swift action can be taken to update policies and procedures in response to the changing situation, with a view to restarting operations as soon as it is safe to do so.

Brexit negotiations have been largely concluded by the end of December 2020, and the successful trade agreement reached with the European Union helps reduce the risk of severe disruption that the travel industry may have faced in 2021 from this, whether this be to customer demand, restrictions on travel or tax and other laws. Whilst there remains some uncertainties in respect of the outcomes reached, the overall risk to our Group from Brexit has diminished significantly as from 1 January 2021.

Set against the evolving macroeconomic global environment and the Covid-19 global pandemic, the principal risks and uncertainties throughout the Group are:

- **Liquidity and cashflow risk.** The current global travel restrictions impact the Group's ability to operate and deliver its core products and thus generate revenues. While the duration of such restrictions is currently unknown, by taking the planned mitigating actions in the face of this pandemic, the Group's scenario modelling demonstrates that it has sufficient liquidity to continue to endure a continued period of travel restriction and that the Group can continue as a going concern for at least the next twelve months from the date of signing these financial statements. The Group is principally dependent upon its seven year term interest-bearing bank loan with a principal amount of £100.0m, a revolving credit facility of £80.0m and cash reserves. There is a risk that should global travel restrictions continue for a period longer than modelled in our scenarios and either additional funding cannot be obtained or a bank covenant holiday cannot be extended beyond the next testing date of 30 September 2021, then this may have an impact as described in Note 4 of these financial statements.

STRATEGIC REPORT (continued)

- **Health and Safety.** Ensuring the health and safety of guests and employees is of paramount importance. The immediate risk when operations can restart is the risk of transmission of the coronavirus to our customers or an outbreak within one of our group holidays. There is the risk of illness or death to guests or employees whilst on one of our holidays, whether this arises as a result of Covid-19 or otherwise. The Group strives to mitigate this where it can with policies and procedures in place to reduce transmission, but it is acknowledged it is impossible to guarantee our guests a Covid-19 free holiday, trip or expedition. Incidents could also potentially result in reputational damage to either the Group and/or one of the Brands, and could have financial consequences. The Group is committed to ensuring the health and safety of all of its guests and employees, with health and safety being given the highest profile throughout the organisation, instilled within the our businsses' culture and shared with our guests.

- **Destination disruption.** Providers of holidays and expeditions are exposed to the inherent risk of domestic and international incidents affecting operations at those destinations. This includes not only the global travel restrictions caused by Covid-19, but also natural catastrophies such as Hurricane Irma in September 2017 and Hurricane Dorian in September 2019, both of which have continued to impact the Group operationally and financially during this financial year. Destination disruption can also include outbreaks of other diseases, war, political instability and terrorism. All of these events, as we saw at the onset of the global pandemic, can cause significant operational disruption and costs to our business. Having many geographically diverse destinations so as to limit the exposure to any single destination mitigates some risk although we recognise that global pandemics will clearly disrupt the ability and guests' desire to travel. We follow the UK Government's Foreign Office advice in our source markets to minimise the exposure of our customers.

- **Market risk, including customer demand.** The Group relies heavily on the demand from its UK and US customer base to take experiential and tailor-made holidays across the world. Changes in macroeconomic and global travel conditions can affect customers demand and willingness to travel, as well as spending power, all of which weaken demand and reduce revenues and margins. The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. More consumers are booking their holidays online via mobiles and tablets. Climate change and global sustainability may also impact regulation in our industry and influence consumer preferences, possibly more so when there is a return to travel. Terrorism can also affect demand from source markets. There is the risk that if we do not respond adequately to trends or if our products and services fail to meet changing guest demands and preferences, our revenues and profitability may suffer as a result. We continue to develop unique and exclusive experiences to match the needs of our customers. The Directors continue to monitor these performance indicators to ensure the future success of the Group's businesses.

- **Fleet delivery risk.** The Group has signed contracts for significant levels of capital and lease commitments for yachts, aircraft and a polar expedition ship, which were delivered in the current financial year ending 30 September 2021. Whilst we expect these assets to drive future growth in our Group, it also gives rise to financial risk in the event that delays occur to the scheduled deliveries of these assets or they are not delivered to the contractually agreed standard. Fleet supplier failure could also cause the cancellation of certain fleet deliveries. Financial risks include lost margin, compensation payable and adverse publicity which could lead to a loss in future or repeat bookings. The Group is monitoring and overseeing the construction of these assets against their planned timetable and is actively engaged with the assets' suppliers in respect of delivery dates.

- **Legal and regulatory compliance.** The Company operates across a range of geographies, which exposes us to a range of legal, tax and other regulatory laws, all of which must be complied with. Failure to comply may result in fines or sanctions from regulatory bodies, such as the CAA. Failure to do so could, for example, result in the removal of the licence. We have a Group Legal Compliance team who monitor compliance with laws and regulations and provides advice to businesses on specific areas.

STRATEGIC REPORT (continued)

- **Cyber security**. We are responsible for protecting the confidentiality, integrity and availability of the data we have for our guests, employees and suppliers. Failure to ensure we have the appropriate level of information security controls increases the risk that an information security breach is not prevented, detected or adequately remediated. This could result in reputational damage, remediation costs and financial penalties for a breach of data protection legislation. We continuously enhance our information security procedures to mitigate the risk.
- **Technology risk**. Reservation systems, websites and platforms form a significant part of the Group's ability to build, develop and sell its products. This would be temporarily disrupted by a technology failure or slowdown. A number of our businesses continue to upgrade and/or overhaul existing technologies and invest in new technologies to improve their resilience and to enhance the Group's products and services. Failure to successfully implement new IT systems may impact our competitiveness, quality of customer experience and operational efficiency. This could be detrimental to the Group's profitability, in terms of lost bookings, cash outflows and asset impairments.

Financial instrument risks

- **Foreign currency exchange risk**. The Group operates internationally and is exposed to foreign currency exchange risk on transactions denominated in a currency other than UK Sterling as well as the translation of the Group's consolidated balance sheet and income statement of foreign operations into UK Sterling. The two main currencies that the Group is exposed to are the Euro and US Dollars. A fall in Sterling compared to these two currencies would cause our UK companies selling to those destinations to see an increase in their underlying cost base, if not already hedged against. The Group's businesses enter into derivative financial instruments to forward purchase their foreign currency requirements to mitigate the risk of foreign currency losses. Conversely, in the event of a fall in sterling against the US dollar, the Group's exposure to the US market would see the results of those US-based businesses translating to higher revenues and profitability in the Group's consolidated income statement.
- **Credit risk.** The Group has significant cash and cash equivalent balances throughout the year and the majority of this is held with three global banking groups. Credit risk in this respect refers to the risk that one of these banking groups were to default on its contractual obligations resulting in financial loss to the Group. The Group therefore uses highly reputable and financially strong banking groups with which to deposit its material cash balances. The Group also sells its holidays both directly to the end customers and indirectly via agents. Credit risk is considered to be limited as many of our branded holidays are tailor-made or differentiated, there is no concentration of business on key individual agents across the Group and our end customers are required to pay in full ahead of departure.
- **Interest rate risk.** The Group is exposed to interest rate risk on the interest bearing bank loan and on cash and cash equivalents. The interest rate for the bank loan is periodically re-set to ensure it remains at market levels. An increase in market rates would therefore reduce the Group's profitability. The Group has partially mitigated this interest rate risk by taking out an interest rate swap for half of the Group's external bank loan.

Further information on foreign currency risk, credit risk, interest rate, liquidity and cash flow risks are provided in Note 28 of the financial statements.

Approval
This report was approved and signed on behalf of the Board on 29 June 2021.

J Metzner
Director

Company Number: 10604770

DIRECTORS' REPORT

Directors
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J Metzner	
E Pillot	(resigned 24 August 2020)
J I de Ochoa	(appointed 28 July 2020)

Independent auditors
Pursuant to Section 487 of the Companies Act 2006, BDO LLP have been deemed to be re-appointed and therefore continue in office.

Directors' insurance
Throughout the financial year until the date of approval of these financial statements the ultimate parent company, KKR & Co. Inc, maintained Directors' and Officers' Liability insurance policies that would respond to cover Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Statement as to disclosure of information to auditors
The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Dividends
No dividends were declared or paid during the financial year.

Political donations
During the financial year, the Group and Company made no political donations.

Employees
The Group aims to keep employees aware of all material factors affecting them as employees and the performance of the Group and their respective business. It encourages good communication through regular meetings between management and staff enabling senior managers to consult and ascertain views on all appropriate matters. This is supplemented by regular briefing meetings, email bulletins and divisional internal websites. A free confidential whistle-blowing hotline is also provided for employees. Employees are encouraged to participate in the performance of the Group by way of bonus schemes.

The Group employed an average of over 2,666 (restated 2019: 3,131) employees across the financial year. Training and career development programmes are provided, although these have been reduced in number and frequency as a result of mitgating actions to the Covid-19 pandemic. It is our policy to achieve and maintain a high standard of health and safety at work and to ensure everyone, regardless of race, religion or sex and including disabled people where reasonable and practicable is treated in the same way with regards to employment, training, career development and promotion. Applications for the employment of disabled people are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. Every effort is made with the rehabilitation of anyone who becomes disabled during their employment. The Group publishes a gender pay gap report in the UK.

The Group is committed to ensuring that there is no modern slavery or human trafficking in any part of its businesses. This commitment is an integral part our policies and the way we do business. We would never knowingly engage with suppliers or contractors involved in slavery or human trafficking and undertake due diligence when engaging with new suppliers before proceeding. In accordance with the requirements of the Act we have published on our website a Modern Slavery and Human Trafficking Statement signed by the Chief Executive Officer and which is available on the home page of our Group's website.

DIRECTORS' REPORT (continued)

Carbon emissions statement

The Group comprises a diverse range of travel and tour operating companies, with principal operations in the UK, France, Germany and the USA. For its financial year ended September 2020, the Group has measured its carbon emissions for the first time, both to support its disclosure obligations and to inform its managed reduction of its emissions impact and impact intensity in relation to its revenue and full time employees.

The Group has reported on its Scope 1 & Scope 2 impacts from its office, vehicle use, gas and electricity. It has reported Scope 3 impacts from staff business travel, which is a significant emissions source and highly relevant to its business operations in the travel sector. Measurement has been undertaken at a group level for all large UK companies who are required to report their emissions under the Streamlined Energy and Carbon Reporting requirements. Overseas subsidiaries are currently excluded from this report. All measurements have been made using the 2020 UK Government GHG Reporting and Methodology for the conversion of activity data to carbon emissions equivalents in metric tons.

The boundary for reporting is all UK registered subsidiaries of the Group, whose business is primarily conducted in the UK. The basis of reporting is the financial control approach. The Group intends to report on all subsidiaries when practicable to do so, which requires the resumption of normal operations and aims to improve its data capture for all operations, to support more accurate measurements of impact and remove any reliance upon estimated impacts.

The initial reporting period for Travelopia covers the full financial year to 30 September 2020, but due to worldwide travel restrictions, includes six months of significantly reduced operations due to Covid 19, which have had a significant impact on revenue. The Group expects that its reported carbon emissions to revenue intensity will fall as a result in the following financial year but expects that a full year of trading is required before a report will form the most accurate basis for a baseline year and forward reduction targets. In light of continuing global travel restrictions, this is not expected to be in the year ending 30 September 2021.

The Group's carbon intensity per FTE is calculated upon an average of all employees who were working during the financial year and accounts for staff on furlough. To support education and awareness of emissions amongst its global customer base, the Group intends to disclose the emissions intensity by customer and support product-based emissions impacts.

The report on the Group's emissions was prepared by an external specialist, Carbon Responsible, using activity data supplied by the Group.

Emissions and kwh summary for the financial year ended 30 September 2020

	CO2e	KwH
Scope 1		
Fuel	76.059	341,211
Transport	2.879	16,075
	78.938	357,286
Scope 2		
Electricity	216.383	928,124
Scope 1 & 2 total	295.321	1,285,410
Scope 3	501.059	n/a
Total	796.380	1,285,410

All values are shown in metric tons of CO2e.

Revenue intensity - tCO2e per £0.1m	0.252
Revenue intensity – tCO2e by FTE	0.521

Stakeholder engagement
Details of our key stakeholders and how we engage with them are given in Section 172 Statement of the Strategic Report above.

Matters covered in the Strategic Report
Disclosure of the Group's Business Review, funding, liquidity and going concern assessment, financial risk management, post balance sheet events and future developments are included in the Strategic Report.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Reports of the Directors and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) 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 Group and Company and of the profit or loss of the Group for that financial 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 and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act have been followed for the consolidated financial statements and IFRSs including FRS 101, have been followed for the Company financial statements, 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 Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval
This report was approved and signed on behalf of the Board on 29 June 2021.

J Metzner
Director

Company Number 10604770

Opinion

We have audited the financial statements of Travelopia Group Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2020 which comprise the consolidated income statement, consolidated statement of total comprehensive income, consolidated and company balance sheet, consolidated and company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2020 and of the Group's loss for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

Material uncertainty related to going concern

We draw attention to note 4 to the financial statements, which indicates that the Group and Parent Company are expected to require additional liquidity within the next 12 months and a further covenant waiver, these are yet to be achieved. As stated in note 4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the reports of the Directors (the Strategic Report and the Directors' Report), other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of Directors
As explained more fully in the statement of Directors' responsibilities, 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 Group's and the Parent 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 Group or the Parent 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 at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Dominic Stammers
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Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

	Note	**Year ended 30 September 2020**	Year ended 30 September 2019 (re-stated)
		£m	£m
Continuing operations			
Revenue	9	**490.3**	1,011.1
Cost of sales		**(424.2)**	(763.7)
Gross profit		**66.1**	247.4
Distribution costs		**(68.4)**	(108.0)
Administrative expenses		**(126.3)**	(168.0)
Operating loss		**(128.6)**	(28.6)
Analysed as:			
Adjusted EBITDA		**(36.3)**	48.5
Depreciation, amortisation and impairment on non-acquisition related assets	11	**(65.1)**	(32.7)
Acquisition and disposal related items	12	**(7.8)**	(19.6)
Separately disclosed items	13	**(19.4)**	(24.8)
Operating loss		**(128.6)**	(28.6)
Financial income	14	**2.0**	5.2
Financial expenses	15	**(18.5)**	(18.3)
Net financial expenses		**(16.5)**	(13.1)
Loss before tax		**(145.1)**	(41.7)
Taxation credit/(charge)	16	**7.3**	(1.5)
Loss after tax from continuing operations		**(137.8)**	(43.2)
Discontinued operations			
Proft/(loss) for the financial year from discontinued operations (attributable to equity holders of the parent)	17	**24.8**	(2.6)
Total loss for the financial year attributable to equity holders of the parent		**(113.0)**	(45.8)

Details of the restatement of the results for the year ended 30 September 2019 in respect of the disposal of the North American Education division and its subsequent reclassification as a discontinued operation can be found in Note 3.

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Loss for the financial year	**(113.0)**	(45.8)
Other comprehensive income		
Items that will not be subsequently reclassified to profit and loss:		
Remeasurement of defined benefit obligation	**0.1**	(0.3)
	0.1	(0.3)
Items that may be subsequently reclassified to profit and loss:		
Foreign exchange translation	**1.0**	2.9
	1.0	2.9
Other comprehensive income for the financial year, net of tax	**1.1**	2.6
Total comprehensive loss for the financial year	**(111.9)**	(43.2)

Total comprehensive income/(loss) attributable to equity holders of the parent arises from:

- Continuing operations	**(136.9)**	(41.4)
- Discontinued operations	**25.0**	(1.8)
Total comprehensive loss for the financial year attributable to equity holders of the parent	**(111.9)**	(43.2)

Travelopia Group Holdings Limited (formerly TIM Intermediateco Limited)
Consolidated balance sheet at 30 September 2020

	Note	30 September 2020 £m	30 September 2019 £m
Non-current assets			
Intangible assets	18	**80.3**	93.4
Property, plant and equipment	19	**201.0**	202.9
Right of use assets	20	**101.2**	-
Trade and other receivables	21	**6.3**	3.8
Interest bearing receivables		**1.4**	-
Deferred tax assets	22	**18.0**	16.5
		408.2	316.6
Current assets			
Inventories	23	**40.6**	28.2
Trade and other receivables	21	**55.5**	92.2
Income tax recoverable		**2.6**	2.2
Derivative financial instruments	28	**0.7**	2.9
Other investments		**-**	2.3
Cash and cash equivalents	24	**161.9**	299.4
		261.3	427.2
Assets classified as held for sale	25	**0.3**	-
Total current assets		**261.6**	427.2
Total assets		**669.8**	743.8
Current liabilities			
Interest-bearing loans and borrowings	26	**(2.6)**	(1.5)
Lease liabilities	20	**(31.0)**	-
Trade and other payables	27	**(259.5)**	(397.2)
Derivative financial instruments	28	**(7.2)**	(11.1)
Provisions for liabilities	29	**(11.2)**	(2.3)
Income tax payable		**(1.6)**	(3.2)
Total current liabilities		**(313.1)**	(415.3)
Non-current liabilities			
Interest-bearing loans and borrowings	26	**(183.8)**	(117.6)
Lease liabilities	20	**(79.4)**	-
Trade and other payables	27	**(6.5)**	(5.4)
Derivative financial instruments	28	**(0.3)**	(0.3)
Provisions for liabilities	29	**(2.4)**	(3.2)
Retirement benefit obligations	30	**(0.1)**	(0.2)
Deferred tax liabilities	22	**(10.7)**	(16.4)
		(283.2)	(143.1)
Total liabilities		**(596.3)**	(558.4)
Net assets		**73.5**	185.4
Equity			
Called up share capital	31	**26.0**	26.0
Share premium account		**216.0**	216.0
Retained earnings		**(172.4)**	(59.5)
Foreign exchange reserve		**3.9**	2.9
Total equity attributable to equity holders of the parent		**73.5**	185.4

The notes on pages 26 to 82 form part of the consolidated financial statements. The consolidated financial statements on pages 21 to 82 were approved and authorised for issue by the Board of Directors on 29 June 2021 and signed on its behalf by:

J Metzner
Director
Company Number: 10604770

	Called up share capital £m	Share premium account £m	Retained earnings £m	Foreign exchange reserve £m	Total equity £m
At 30 September 2018	26.0	216.0	(7.5)	-	234.5
Effect of adopting IFRS 15	-	-	(5.9)	-	(5.9)
Loss for the financial year	-	-	(45.8)	-	(45.8)
Other comprehensive income for the financial year	-	-	(0.3)	2.9	2.6
Total comprehensive loss for the financial year	-	-	(46.1)	2.9	(43.2)
At 30 September 2019	**26.0**	**216.0**	**(59.5)**	**2.9**	**185.4**
Loss for the financial year	-	-	(113.0)	-	(113.0)
Other comprehensive income for the financial year	-	-	0.1	1.0	1.1
Total comprehensive loss for the financial year	-	-	(112.9)	1.0	(111.9)
At 30 September 2020	**26.0**	**216.0**	**(172.4)**	**3.9**	**73.5**

Consolidated statement of cash flows for the financial year ended 30 September 2020

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Loss from continuing operations		**(137.8)**	(43.2)
Profit from discontinued operations		**24.8**	(2.6)
Loss for the financial year		**(113.0)**	(45.8)
Adjusted for:			
Depreciation and amortisation	18,19,20	**61.1**	30.6
Impairment of property, plant and equipment	19	**1.0**	0.8
Impairment of intangible assets	18	**7.5**	22.1
Impairment of right of use assets	20	**1.4**	-
(Gain)/loss on disposal of subsidiaries	17	**(30.6)**	0.6
Gain on disposal of property, plant and equipment and intangible assets		**(6.4)**	(0.4)
Profit restriction on sale and leaseback transactions		**3.8**	-
Net foreign exchange differences		**(4.4)**	(2.1)
Net financial expenses	14,15	**16.4**	13.1
Taxation	16,17	**(5.6)**	2.9
Operating cash flow before changes in working capital and provisions		**(68.8)**	21.8
Increase in inventories		**(12.9)**	(4.8)
Decrease in trade and other receivables		**28.6**	9.4
(Decrease)/increase in trade and other payables		**(103.9)**	16.3
Increase in interest bearing receivables		**(1.4)**	-
Increase/(decrease) in provisions		**8.1**	(0.3)
Cash flows (used in)/generated from operations		**(150.3)**	42.4
Net interest paid		**(13.7)**	(5.6)
Income taxes paid		**(4.8)**	(6.3)
Net cash flows (used in)/generated from operating activities		**(168.8)**	30.5
Investing activities			
Proceeds from disposal of property, plant and equipment		**24.0**	9.5
Acquisition of property, plant and equipment	19	**(38.1)**	(30.3)
Acquisition of intangible assets	18	**(12.1)**	(12.2)
Acquisition of short term investments		**-**	(2.3)
Acquisition of subsidiaries, net of cash acquired		**-**	(11.1)
Disposal of subsidiaries, net of cash disposed	17	**25.8**	(2.0)
Net cash flows generated used in investing activities		**(0.4)**	(48.4)
Financing activities			
Proceeds from new loans	33	**67.6**	14.9
Repayment of borrowings	33	**(1.3)**	(1.0)
Repayment of capital element of leases	20	**(29.3)**	-
Net cash flows generated from financing activities		**37.0**	13.9
Net decrease in cash and cash equivalents		**(132.2)**	(4.0)
Effect of foreign exchange on cash held		**(5.3)**	7.6
Cash and cash equivalents at beginning of year		**299.4**	295.8
Cash and cash equivalents at end of the year	24	**161.9**	299.4

Details of restrictions on cash and cash equivalents are provided in Note 24. Movements in liabilities arising from financing activities are presented in Note 35.

1. General information

Travelopia Group Holdings Limited (formerly TIM Intermediateco Limited until 30 April 2020) (the 'Company') is a private limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. The Company owns the Travelopia Group of companies.

The consolidated financial statements consolidates those of the Company and its subsidiaries (together referred to as 'the Group') and are for the financial year ended on 30 September 2020.

Certain UK Companies included within these consolidated financial statements have been provided exemption from requiring an audit under Section 479(A) of the Companies Act 2006. Further details of the subsidiaries taking this exemption are provided in Note 37.

The principal activity of the Group during the financial year was that of a tour operator and experiential holiday provider, comprising over thirty specialist travel brands across the world.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act and with the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements were authorised for issue on 29 June 2021.

3. Basis of preparation

The consolidated financial statements are prepared on the historical cost and going concern basis unless otherwise stated. The consolidated financial statements are presented in the Group's presentational currency of Sterling, which is also the Company's presentational currency rounded to the nearest one hundred thousand pounds unless otherwise stated. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates.

The results for the year ended 30 September 2019 have been restated to reflect the disposal of the North American Education division, which has been treated as a discontinued operation. Further information on this is provided in Note 17. The Group has also adopted IFRS 16 'Leases' in the financial year, as set out in Note 6.

4. Going concern

The global spread of Covid-19 in 2020 resulted in global travel restrictions that significantly impacted the Group's and our suppliers' ability to deliver and operate core products in the year ended 30 September 2020 and up to the date of signing these financial statements.

As global travel restrictions were imposed, numerous actions were taken immediately to reduce cash burn and protect the financial position of the Group, including:

- Salary reductions of varying levels across the Group, including the Group's Executive Leadership Team.
- A review and reduction of variable and fixed costs, including office closures, part closures and relocations; renegotiation, reduction and delays of supply contracts; scope reduction of/amendments to IT capex projects; and a temporary cessation of marketing activities throughout all businesses.
- Restructuring, redundancies and use of national job retention schemes, such as the Coronavirus Job Retention Scheme in the UK.
- Closure of some of our smaller businesses and internal reorganisation of other businesses.
- Drawing down the remaining £65.0m of the Group's available revolving credit facility.
- Agreeing a net debt covenant holiday with Senior Lenders for the four quarters up to and including March 2021, agreeing in its place a minimum liquidity covenant, which has since been met.
- Taking advantage of available tax rebates and credits in accordance with national government schemes.

Subsequent to the financial year end, the Group has generated approximately £35m of additional liquidity through disposal of two ski hotels in the Education division; completing a ground rent transaction on our owned activity centre, Condover Hall; implemented inventory financing in the Yachts division and completed on the sale and lease back of part of the Le Boat fleet. Additionally, TCS has agreed to sub-let one of its two leased planes to offset the associated lease costs.

Global travel restrictions continue to have a significant impact on the business. The Group has plans in place for a recovery and return to growth into 2022 and beyond assuming that global travel restrictions are lifted. The Group continues to mitigate cost as much as possible in order to reduce the monthly cash burn and minimise any additional funding that the Group could require in the foreseeable future.

The Directors believe that there is strong pent-up demand in the market, as evidenced through internal and external market research and through increased levels of new bookings following announcements around vaccine progress and relaxing of some travel restrictions. The uncertainty as to the extent of the future impact on the Group as a result of Covid-19 has been considered as part of the Group's adoption of the going concern basis of preparation. While vaccine roll out progress remains strong, particularly in our key source markets, the emergence of new Covid-19 variants and uncertainty around the timing of lifting of travel restrictions results in uncertainty around the timing of booking and departure volume recovery across the Group. The Directors of the Group have therefore assessed the future profitability and liquidity of the Group under various, prudent, travel recovery scenarios, preparing profit and cash forecasts for the year to 30 September 2022 and beyond.

In preparing these scenarios, the Directors have made assumptions around the timing of easing of travel restrictions and therefore the timing around when the different businesses in the Group are expecting to resume operations in a meaningful way. In the "base case" it is expected that businesses offering predominantly short-haul and in-country holidays, such as Tailormade, Le Boat and Yachts, will see some volume recovery first from late Summer 2021 (Q4 FY21). Significant disruption is expected in our long-haul and more complex businesses such as Quark, TCS and the Adventure brands for the remainder of the financial year ending 30 September 2021 ("FY21") with gradual recovery expected to commence from the first quarter of FY22. In this scenario, the Directors believe that the Group would need additional funding in the second quarter of FY22 to enable it to continue to meet its obligations.

In a more severe "downside scenario", the Directors expect to see a similar pattern for the remainder of FY21, but with in-country and drive-to holidays at a lower level than in the base case scenario. For FY22, this scenario includes a much later return to operations for our long-haul and complex trips, in addition to there being very limited activity over the winter months. In this scenario, the Directors estimate that the Group would require additional liquidity in the first quarter of FY22 to enable it to continue to meet its obligations.

The Directors consider that the assumptions made in these scenarios are prudent, with recent booking trends, particularly for FY22 and beyond, being stronger than assumed. Some global travel restrictions for this summer are already being lifted, for example US travel into the Caribbean and travel between Germany and France, which are key routes for the Yachts and Le Boat businesses respectively. Furthermore, the Yacht Sales business continues to perform very strongly and in line with forecasts assumed in the above scenarios.

As noted above, on 4 May 2020, the Directors of the Group obtained a covenant testing holiday from its Senior Lenders for a period of four financial quarters commencing on and including 30 June 2020 in relation to its Net Debt:Adjusted EBITDA ratio covenant ('net debt covenant'). A minimum liquidity covenant was instead put in place for the period of the net debt covenant holiday and this covenant has subsequently been satisfied. Given the ongoing disruption to travel in 2021, an extension to the net debt covenant holiday will be necessary into FY22 and it is expected that the period that the minimum liquidity covenant is in place will be extended accordingly. At the date of signing these financial statements, the Directors have successfully obtained an extension of the net debt covenant test for one quarter to 30 September 2021. A request for a further and longer extension into FY22 will be pursued by the Directors by this date. However, based on the medium- and longer- term outlook for the Group and the strength of its relationship with its Senior Lenders, the Directors of TGHL have a reasonable expectation that a further extension to the net debt covenant holiday will be agreed.

Compliance with the liquidity covenant referred to above is dependent upon cashflows arising from either the expected return of international travel or alternative financing being obtained. Should the Group require additional liquidity, in addition to third party financing sources, the Group's Directors could also seek to obtain additional liquidity from its ultimate parent. However, as at the date of signing these financial statements this has not been necessary.

Given the above, the Directors of the Group remain confident that with i) a return of some international travel in 2021 and into 2022; ii) the expectation of an extension of the net debt covenant holiday; and iii) the ability to source additional funding from its ultimate parent if necessary; there is a reasonable expectation that the Group will continue as a going concern for the foreseeable future. Accordingly, the Directors of the Company have concluded that it is appropriate to prepare these financial statements on a going concern basis. However, as neither the bank covenants have yet to be extended to cover FY22 nor additional financing required under base and downside case scenarios put in place as at the date of signing these financial statements, there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

5. Underlying measures of profits and losses

Alternative performance measures

These consolidated financial statements contain a financial profit measure that is not defined or recognised under IFRS, namely Adjusted EBITDA, which excludes separately disclosed items and acquisition and disposal related items. This measure is not a measure of financial performance under IFRS and should not be considered as an alternative to indicators, operating performance, income and cost classifications that are derived in accordance with IFRS. Accordingly, this non-IFRS measure should be viewed as supplemental to, but not as a substiture for, measures presented in these consolidated financial statements which are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act.

Adjusted EBITDA

The Board believes that Adjusted EBITDA provides additional and meaningful guidance in addition to statutory measures to help understand the Group's underlying tour operating performance during the financial year. It is a measure that is used by management to internally assess the maintainable underlying performance of the Group's business and is not intended to be a substitute measure for adopted IFRS measures. The Directors also consider it appropriate to disclose this additional alternative performance measure since it provides a more comparable measurement of performance and is also broadly equivalent to the measure used externally in the Group's bank covenant tests.

Adjusted EBITDA is defined as profit before tax from continuing operations stated before financial income and expenses, depreciation, amortisation and impairments (including amortisation of and impairments to right of use leased assets and business combination intangibles), acquisition and disposal related items, and separately disclosed items.

It should be noted that the definition of Adjusted EBITDA used in these consolidated financial statements are those used by the Group and may not be comparable with the term 'underlying' or 'EBITDA' as defined by other companies within both the same sector, or elsewhere, since there are no generally accepted principles governing the calculation of this measure of profit. As such, Adjusted EBITDA could have limitations as an analytical measure, some of which are:

- It does not reflect the Group's past or future cash expenditure for capital expenditure;
- It does not reflect the Group's interest expense, or the cash requirement to service interest and principal payments on the Group's bank loans;
- It does not reflect gains and losses on the acquisition and disposal of subsidiaries; and
- Items that have been excluded from Adjusted EBITDA as Separately disclosed items may be judged by some as being appropriate to include and vice versa.

Separately disclosed items
Separately disclosed items are those significant items which in management's judgement are highlighted by virtue of their size, nature and/or incidence to enable a full understanding of the Group's underlying financial performance. Such items are included within the income statement heading to which they relate. Further information relating to Separately disclosed items, including the nature of the items and the reasons for inclusion in this category is included in Note 13.

Acquisition and disposal related items
Acquisition related items comprises employment related deferred consideration for the acquisition of businesses, amortisation and impairment of business combination intangibles, gains and losses on acquisitions and disposals from continuing operations and acquisition and disposal transaction costs from continuing operations. Directly attributable acquisition and disposal costs are expensed in the consolidated income statement as incurred. Disposal related items represents the gain or loss on the disposal of a Group subsidiary, net of directly related disposal costs, which did not meet the definition of a discontinued operation. Gains and disposal related items arising from the sale of discontinued operations are presented within the total result from discontinued operations.

6. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

New standards, amendments and interpretations
The Group applied IFRS 16 and IFRIC 23 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

IFRS 16 Leases
IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The Standard is effective in the Group's financial statements for the financial year ended 30 September 2020.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of initially applying the Standard being recognised at the date of initial application. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has:

- elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4;
- elected not to include initial direct costs in the measurement of the right of use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 October 2019;
- elected to apply a single discount rate to a portfolio of leases with similar characteristics;
- not taken benefit from the use of hindsight for determining the lease term when considering options to extend and terminate leases, but has instead treated any changes to the lease term as a modification in the financial year;
- for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets (being less than the equivalent of $5,000), applied the optional exemptions to not recognise right of use assets but to account for the lease expense on a straight line basis over the remaining lease term;
- taking these elections into account, measured the lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application;
- elected to measure the right of use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments and dilapidation provisions that existed at the date of transition; and
- instead of performing an impairment review on the right of use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16;

On transition to IFRS 16, the Group recognised an additional £68.5m of right of use assets and £68.5m of lease liabilities. When measuring lease liabilities, the Group discounted lease payments using its incremememtal borrowing rate at 1 October 2019. The weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 6.4%.

The following is a reconciliation of total operating lease commitments at 30 September 2019 (as disclosed in the financial statements as at 30 September 2019) to the lease liabilities recognised at 1 October 2019:

	£m
Operating lease commitments at 30 September 2019 as disclosed in the Group's consolidated financial statements	**291.9**
Discounted using incremental borrowing rate at 1 October 2019	253.3
Leases not yet started as at 1 October 2019*	(160.7)
Entities sold during the financial year	(2.5)
Recognition exemption for short term leases	(22.8)
Term differences between IAS 17 and IFRS 16	1.2
Lease liabilities recognised at 1 October 2019	**68.5**

* largely comprising of Quark Expeditions's new Ultramarine polar expedition ship and two new leased aircraft by TCS Expeditions, for which contracts had been signed at 30 September 2019, but for which the lease term had yet to commence.

Previous lease accounting policy under IAS 17

Leases where the lessor retains substantially all of the benefits and risks of ownership of the asset are classified as operating leases. Payments made under operating leases were recognised in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives received were recognised in the consolidated income statement as an integral part of the total lease expense over the term of the lease. Gains from sale and leaseback transactions were recognised immediately if the sale and leaseback terms were demonstrably at fair value.

New accounting policy under IFRS 16

The Group as a lessee

For any new contracts entered into on or after 1 October 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right of use asset and a lease liability on the balance sheet.

The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right of use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments. Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Within the consolidated balance sheet, right-of-use assets have been presented separately from property, plant and equipment, whilst lease liabilities have also been presented separately.

Sale and leaseback transactions

The Group enters into sale and leaseback transactions whereby it sells assets to a third party and immediately leases them back. Where sale proceeds received are judged to reflect the asset's fair value, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use asset recognised at commencement of the lease.

IFRIC 23 'Uncertainty over income tax treatments'.

The IFRIC clarifies the recognition and measurement of IAS 12 'Income taxes' when there is uncertainty over the tax treatment until such time that the relevant tax authority or court takes a decision in the future. Consequently, a dispute or examination of a particular tax treatment may affect a company's accounting for a current or deferred tax asset or liability. This IFRIC has not had a material impact on the accounting for uncertain tax treatments at the date of adoption at 1 October 2019.

Basis of consolidation
The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as 'the Group') and present the results of the Group as if it formed a single entity. Accounting policies of subsidiaries are amended where necessary to be consistent with those adopted by the Group. The parent Company financial statements present information about the Company as a separate entity and not about the Group.

(i) Subsidiaries
Where the Company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Where the Group ceases to have control of any subsidiary, the assets and liabilities of that subsidiary are derecognised at the date that control is lost and any gain or loss on disposal is recognised within other income in the consolidated income statement. The gain or loss is measured at the fair value of the consideration received less the share of the carrying value of the net assets of the subsidiary disposed.

(ii) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains or income and expenses arising from intra-group transactions are eliminated in preparing the Group's consolidated financial statements.

Revenue
The Group recognises revenue from the sale of holidays and the sale of boats and yachts. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of holidays
Revenue is measured at the fair value of the contractual consideration received or receivable and represents amounts receivable for goods and services in the normal course of business during the accounting period. Revenue is recognised net of discounts, value added tax, and other sales related taxes and is measured as the aggregate amount earned from inclusive holidays, tours, trips, marine charters and expeditions. Revenue from sale of holidays is comprised of one performance obligation and the transaction price is recognised over the duration of the holiday (taking the time elapsed from departure to return). For the sale of holidays, the Group receives part payment of the holiday by way of a deposit from customers upon booking of the holiday. Cancellation income, in respect of non-refundable amounts paid on bookings cancelled by the customer prior to the date of departure, is recognised at the time of cancellation, providing all performance obligations have been met. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that good or service will be one year or less.

Sale of boats and yachts
Revenue from sale of boats and yachts is comprised of one performance obligation and the transaction price is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the boat or yacht. Title is passed when payment has been received in full by the customer.

The Group does not disclose the aggregate amount of the transaction price allocated to partially unsatisfied performance obligations as the contracts have an original expected duration of less than one year.

Contract liabilities
If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. The Group considers client monies received in advance at the balance sheet date relating to holidays departing after the year end to be contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. They are presented separately from deferred income as they include amounts that may be repaid to the customer in the event of contract cancellation.

Contract liabilities include credit notes arising from a cancelled holiday where the customer has accepted these by the balance sheet date. Where the customer has requested a refund of monies prior to the balance sheet date, the amount included in contract liabilities that is to be repaid is de-recognised and recognised as an other creditor.

Government grants
Government grants are recognised in the income statement on a systematic basis over the period in which the related costs towards which they are intended to compensate are recognised as expenses, providing that the company has complied with all conditions attached and that the grant has either been received or is receivable. Where the grant is in respect of compensation for expenses incurred, the expenses are presented on a net basis.

Expenses
(i) Marketing and other direct sales costs
Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed when the benefit of the goods or services is made available to the Group. In particular, merchandise provided free to customers, brochure and advertising costs are expensed to the consolidated income statement when the Group's suppliers have delivered the relevant material.

ii) Cost of sales
Costs of sales include costs in relation to the provision of holidays supplied to customers including such items as airfares, accommodation and transfer costs, direct employee costs, repair costs and depreciation charges on property, plant and equipment that is used directly to deliver that sale. These costs are recognised when incurred, other than the cost of airfares, accommodation and transfer costs of a holiday, which are recognised over the duration of the holiday.

Profits and losses on disposals of subsidiaries
Where material, profits and losses on disposals of subsidiaries are presented within other income/expenses where the disposed business does not meet the definition as a discontinued operation. Additional analysis for these profits and losses on disposals of subsidiaries is disclosed within acquisition and disposal related items.

Insurance proceeds
Insurance proceeds are recognised as cash if received in the financial period or as a receivable, together with the related income within the consolidated income statement if objective evidence exists to demonstrate that recovery is considered virtually certain by the balance sheet date. All losses for which the insurance proceeds are receivable are accounted for as a separate transaction.

Employee benefits
(i) Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

(ii) Defined benefit plans
The Group's net obligation in respect of a defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior financial periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted in calculating the overall net asset or liability. The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds denominated in the currency of, and having the same maturity dates approximating to, the terms of the plan's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net pension asset or liability, including actuarial gains and losses, are recognised immediately in other comprehensive income. Contributions are made to fund the plan by the sponsoring company. The current service cost is included in the consolidated income statement as a personnel expense. The interest charge on the net pension liability is calculated by applying the applicable discount rate to the net pension liability at the beginning of the financial year, taking account of any changes in the net pension liability during the year as a result of contributions and benefit payments.

(iii) Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Income from Government furlough schemes that are intended to support the Group's costs are recognised as a reduction of the expense.

iv) Employment termination benefits
Employment termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. The costs are recognised within the same category of expenditure as the underlying employment costs. These costs may also be presented as Separately disclosed items where appropriate.

Financial income
Financial income mainly comprises of bank interest income, foreign exchange gains on financial items and gains on derivative financial instruments.

Financial expenses
Financial expenses comprise interest expense on borrowings and lease liabilities and any net losses on derivative financial instruments. All borrowing and lease liability financial expenses are recognised in profit or loss using the effective interest method. Foreign currency gains and losses and unrealised gains and losses on derivative financial instruments are reported separately on a net basis.

Taxation
Income tax comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income, in which case the related tax is also recognised in other comprehensive income.

(i) Current tax
Current tax is the expected tax payable on the taxable income for the financial period, using average tax rates applicable for the financial period. The Group operates in many tax regimes and is subject to the tax implications of operating in different tax environments. Actual tax assets and liabilities for the current financial period are measured at the expected amounts payable, or in the case of taxable losses, recoverable from tax authorities. Judgement can sometimes be required to determine the current and deferred tax assets and liabilities, such as the recoverability of such assets. Various internal and external factors may have favourable or unfavourable effects on income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation and changes in tax rates. Furthermore, in order to determine whether tax losses may be carried as assets, it is first necessary to assess the probability of future taxable profits against which to offset them. Such profits depend upon a variety of internal and external factors, including expected development and the four year plan for that business.

(ii) Deferred tax
Deferred tax is provided or recognised using the balance sheet liability method, providing for 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 not deductible for tax purposes; differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future; and differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss in the consolidated income statement. The amount of deferred tax asset recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rate at which the asset or liability is expected to reverse in future periods, based on tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. 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. Deferred tax assets are reduced in the financial period in which it is no longer probable that the related tax benefit will be realised.

Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are initially recorded at the rate approximating to the foreign exchange rates ruling at the dates of the transaction for each entity. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the functional currency spot rate ruling at the reporting date and recognised in the consolidated income statement. Foreign exchange gains and losses resulting from the settlement of such transactions are also recognised in the consolidated income statement.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated from functional currency to Sterling at the foreign exchange rates ruling at the balance sheet date.The revenues and expenses of overseas operations are translated from functional currency at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on the translation of foreign operations are recognised in other comprehensive income, outside of profit and loss and disclosed in the consolidated statement of changes in equity as a foreign exchange difference within a separate foreign exchange reserve. Foreign exchange gains and losses arising from monetary items receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in a foreign operation and are recognised directly in equity in retained earnings.

Discontinued operations

To meet the definition of a discontinued operation, the subsidiary or subsdiaries being sold must be both classified as held for sale and are either a separate major line of business or geographical area of operations or part of a single plan to dispose of. In determining whether the businesses to be sold are held for sale, the intended disposal must be highly probable. This requires management to be committed to the disposal plan, a program to locate the buyer has commenced, the business is being marketed at a reasonable price, there are unlikely to be any significant changes to the plan and disposal completion is expected within one year.

Where a separate major line of business or geographical area of operation has been sold in the financial year, but was not considered to to be a discontinued operation in the prior financial year, the Group's results (but not the balance sheet or cash flow statement) of the prior financial year are restated such that the results pertaining to the discontinued operation are presented in their own line item after the Group's post-tax result from continuing operations.

Business combinations

Business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries and represents the difference between the fair value of consideration paid and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles, such as brands, customer relationships, beneficial contracts and the order book are those which can be sold separately (or which arise from contractual or legal rights regardless of whether those rights are separable) and the fair value can be reliably measured. The fair value of the consideration paid can include cash and consideration that is contingent upon events occurring after the acquisition date, the latter of which is estimated and adjusted through the consolidated income statement up until the consideration is no longer contingent. Consideration payable for business combinations that is linked to, or conditional upon, continued employment is accreted to the consolidated income statement over the period of the earnout period.

Fair value adjustments are made in respect of business combinations. If, at the balance sheet date, the amounts of fair values of the acquiree's identifiable assets and liabilities can only be established provisionally, then these values are used. If the acquisition accounting was in the previous accounting period, the comparative information in the consolidated financial statements is restated if the adjustments are material.

(i) Computer software, software in development and other intangible assets
Computer software consists of all software that is not an integral part of the related computer hardware and is stated at cost less accumulated amortisation and impairment losses other than those acquired in a business combination, which is initially recognised at fair value.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development and to use or sell the software product; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the business' and the software developer's employee costs. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent financial period.

(ii) Brands, customer relationships and order book
Brands, contractual customer relationships, beneficial contracts and the order book acquired in a business combination are recognised at fair value at the acquisition date. These intangibles have a finite useful life and are subsequently carried at cost less accumulated amortisation.

(iv) Amortisation
Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful economic life of each type of intangible asset as follows:

Computer software	3 - 10 years
Brands	10 - 25 years
Order book	Over the period when travel occurs, expected to be within 2 years
Customer relationships	Over the period during which value will be obtained by the Group (from 2 to 13 years)
Beneficial contracts	13 – 20 years

Software in development is not amortised. Upon completion of development and bringing the software into use, the costs are re-categorised into computer software and amortisation commences. Licences in respect of bar licences in France (known as "fonds du commerce") are not amortised (on the basis that the licence has an indefinite life) unless there is objective evidence to suggest the market value has fallen below cost.

Property, plant and equipment
(i) Owned assets
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Fair value adjustments are made in respect of property, plant and equipment acquired as part of a business combination, but are not subsequently remeasured to fair value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Property, plant and equipment are presented separately from right of use assets in the consolidated balance sheet.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Except as noted below, depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful economic lives of each item of property, plant and equipment. The useful economic lives are as follows:

Freehold properties	Up to 50 years
Short leasehold improvements	Lease period or useful economic life if shorter
Yachts	5 - 15 years
Motor boats	15 - 24 years to 50% value
Aircraft equipment	Lease period
Computer equipment	3 - 10 years
Other assets	Up to 10 years

Freehold land and assets under construction are not depreciated. The depreciation methods, useful economic lives and residual values are reassessed annually. Revisions to useful economic lives and residual values are accounted for prospectively from the date of change.

(iii) Disposal

An item of property, plant and equipment is derecognised upon disposal, with any gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the financial period of disposal.

Impairments

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset is calculated as the difference between its carrying amount and its recoverable amount. The recoverable amount of the Group's receivables which are carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventory and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. Intangible assets with an indefinite useful economic life such as goodwill are tested for impairment annually. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset or its cash generating unit ('CGU') exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs to sell. 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 or CGU. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Inventories
Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price less the estimated costs incurred until the sale and the estimated variable costs required to sell. All inventories are written down individually where the net realisable value of inventories is lower than their carrying amounts. Spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, which includes the expectation that they will be used for more than one financial period.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises financial assets and liabilities only when the contractual rights and obligations have been transferred, discharged or have expired.

(i) Financial assets
Financial assets are classified at initial recognition as either subsequently measured at amortised cost or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets include short term investments, cash and cash equivalents, trade receivables and derivative financial instruments but exclude taxes and financial deposits outside the Group's control such as prepayment of services. Financial assets generated from all of the Group's revenue streams are initially measured at their transaction price and are subsequently remeasured at amortised cost. Cash and cash equivalents comprise cash at bank and in hand, cash on deposit and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial assets at fair value through profit or loss comprise derivative financial instruments and are measured at fair value on initial recognition and subsequent measurement. The realised and unrealised gain or loss on derivatives is included in the consolidated income statement in the financial year in which the gain or loss arises.

The Group recognises a loss allowance for expected credit losses on all receivable balances subsequently measured at amortised cost, using the 'general approach' permitted under IFRS 9.

Financial liabilities comprise trade and other payables, financing and lease liabilities and bank and other borrowings. These are measured at initial recognition at fair value and subsequently at amortised cost, other than lease liabilities for which are accounted for as set out above. Bank and other borrowings are stated at the amount of the net proceeds after deduction of transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of less than three months. Bank overdraft balances are offset against positive cash balances where the Group has a legal right of set off. Where cash and cash equivalent balances are not immediately available for use by the Group, for example to meet regulatory requirements, the amount is included in cash and cash equivalents and separately disclosed.

Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(ii) Financial liabilities
Financial liabilities are either classified as financial liabilities measured at amortised cost or at fair value through profit and loss. Financial liabilities measured at amortised cost include trade and other payables (excluding tax and social security and deferred income), accruals and finance debt (such as external bank and other loans). Financial liabilities at fair value through profit and loss comprise derivative financial liabilities. Both are presented within current and non-current liabilities in the consolidated balance sheet, according to the period in which they are expected to be settled. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, normally being the transaction price plus, in the case of financial liabilities measured at amortised cost, directly attributable transaction costs. After initial recognition, financial liabilities other than those at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Derecognition
The Group derecognises a financial liability when the contractual obligations to pay the contractual cash flows on the financial liability are discharged, cancelled or expire.

(iii) Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to foreign exchange, fuel price and interest rate risks arising from operational and financing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value through profit or loss. The fair value of foreign currency, interest rate swap and fuel forward contracts is their forward market price at the balance sheet date, based on external valuations or internal valuations using market data. Derivatives are presented as assets when their fair value is positive and liabilities when the fair value is negative, split between current and non-current depending upon the expiry date of the derivative financial instrument.

(iv) Share capital and share premium account
Ordinary shares are classified as equity. Cash received in excess of the nominal value of the shares issued is recognised as share premium.

Provisions
A provision is recognised in the consolidated balance sheet when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and the outflow of economic benefits can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring provision
A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Related parties
For the purpose of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or entities.

7. New Standards and interpretations not yet adopted
The following new and amended standards and interpretations that have been endorsed by the Companies Act (unless otherwise stated) and the UK Endorsement Board but are not yet effective are as follows:

Amendments to IAS 1 and IAS 8 on the definition of material.
These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial reporting; clarify the explanation of the definition of material; and incorporate some guidance in IAS1 about immaterial information. Potential impacts of the revised definition may include the presentation and disclosure of financial statements and measurement of balances.

Amendments to IAS 1 and IAS 8 on the classification of liabilities.
These amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Potential impacts of the revised definition may include the presentation and disclosure of financial statements and measurement of balances.

Other new amendments and standards

The following standards and amendments that are issued but not yet effective are not currently considered relevant to, or are expected to have a material impact on the Group:

- IFRS 17, 'Insurance Contracts', a comprehensive new financial reporting standard for insurance contracts covering recognition, measurement, presentation and disclosure.
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform
- Amendments to to IFRS 3, 'Business combinations' in respect of the definition of a business and to update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

8. Critical accounting estimates and judgements

The preparation of financial statements requires the Directors to make judgements, apart from those involving estimations, that affect the reported results when applying the Group's accounting policies disclosed in Note 6, as well as estimates and assumptions that affects the reported and future amounts of assets, liabilities, income and expenses. Actual results may differ from those reported as a result of applying different judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimates are revised and in any future periods affected.

The Board has reviewed management's selection, development and disclosure of the Group's critical accounting policies, judgements and estimates and their application, which are set out below. These are in addition to those included in the Directors' assessment of going concern as set out in Note 4.

Judgements

Presentation of the Education division as a discontinued operation

On 4 November 2019, the Group announced completion of the sale of four of the US-based North American Education division, namely the US and Canadian Brightspark businesses, Les Tours Jumpstreet Tours and Travel Turf, Inc, the latter of which traded under the World Class Vacation brand. In July 2020, the one remaining North American business within this division, Student City, which was part of the original plan to dispose as one division, was sold to its management. In the judgement of the Directors, as the FY19 revenues in the disposed division totalled £89.3m, being 8% of the Group's total revenue in that finanical year and guest numbers totalled 142,317, being 20% of the Group's total guests in that year, the division was of sufficient size to meet the test for being a discontinued operation. Accordingly, its results have been accounted for in accordance with IFRS 5 'Non-current assets held for sale and discontinued operations', such that are presented separately in the statement of comprehensive income. Further information on this disposal is provided in Note 17.

Separately disclosed items

Separately disclosed items are those significant items which in management's judgement are highlighted by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Such items are included within the income statement caption to which they relate. Judgement is required to determine which costs are of an underlying nature as part of running a tour operator and which are not, with those that are not being presented within this cost category. The Group has recognised total separately disclosed costs of £19.4m (2019 restated: £24.8m) in the financial year ended 30 September 2020, of which £12.9m (2019: £nil) has arisen as a result of Covid-19. The immediate response at the outset of the pandemic was to safely repatriate our guests from all parts of the world, which itself posed significant difficulties as governments closed national borders and airlines stopped flying with little, or insufficient advance notice. Given the size and scale of the global pandemic, unavoidable costs incurred for cancelled trips amounting to £3.2m have been recognised as a separately disclosed item. Lost revenues that would have been incurred had the trip not been cancelled have not been included within separately disclosed items. Government grants (such as furough income) received of £4.3m (2019: £nil) has also been excluded since this income is considered compensation for roles that are considered underlying in nature. In response to the global pandemic, the Board have taken swift and decisive actions to right-size the Group and reduce cash expenditure. All of the Group's businesses have seen some element of restructuring and redundancies including closures of some of our smaller branded businesses and internal reorganisation of other businesses. Costs incurred in the year in this respect have totalled £9.7m (2019: £nil), all of which have been judged to be separately disclosed, due to the nature of the global pandemic.

Deferred tax assets
Whilst a deferred tax asset of £2.9m (2019: £1.7m) in respect of trading losses has been recognised, the Group has not recognised £31.5m (2019: £11.8m) of trading losses, as the Directors judge their recovery to be too uncertain at this stage. Whilst the Directors are confident of taxable profits in the future, in view of the quantum of tax losses being carried forward and the expected timescale for using these in view of the global pandemic, the Directors consider there to be insufficient certainty over the timing and recoverability to recognise these amounts at the year end. Had there been more certainty over the timing and recoverability of these assets, then full or partial recognition of these assets would have taken place.

Capitalisation of intangible assets
The Group has incurred £20.3m (2019: £20.6m) in the financial year ended 30 September 2020 directly relating to IT costs, £8.3m (2019: £8.4m) of which has been expensed and included within the Group's Adjusted EBITDA and £12.1m (2019: £12.2m) of which has been capitalised as part of the creation of new IT assets. Direct costs are only capitalised if they meet certain criteria, otherwise they are expensed. Feasibility studies, development costs, certain licences, hosting, support and maintence costs are expensed since they did not meet the criteria set out in IAS 38 'Intangible assets'.

Judgement is required as to when costs relating to an IT project can be capitalised, which is typically during the build and testing phase and those that cannot be capitalised, typically before an IT project is approved, and subsequent to bringing the IT asset into use in the manner for which it was intended. Judgement is also required in the capitalisation of personnel costs, whether they are employees or contractors and whether their role was that of directly contributing to the building of the asset, or whether they were providing a service or included as overheads, for which these latter two must be expensed. Had the Directors judged some or all of the capitalised costs not to have met the criteria, then the Group's reported loss before tax would have been up to £12.1m (2019: £12.2m) higher.

Lease term
As disclosued in Note 6, the Group has adopted IFRS 16 with effect from the transition date of 1 October 2019. Judgement and estimates have been applied to determine the lease term for those lease contracts that include an extension option, termination (also known as a break) option, or where the lease term rolls on a periodic basis until such time that notice is given on the lease (often known as an "evergreen lease"). The assessment of whether the Group is reasonably certain to exercise an extension or termination option, or give notice on an evergreen lease would materially impact the value of lease liabilities and the respective right of use asset recognised in the balance sheet. It would also impact the depreciation on the right of use asset and interest on the lease liability in the consolidated income statement.

Extension and termination options are included in many of our leased properties, whilst many of our yacht and boat bases have evergreen leases in Europe and around the world. Management has used a three year forward time frame from the date of transition to assess whether it is reasonably certain that an extension or termination option would be exercised, this being tied to the estimated timeframe for the Group's current ownership structure at the date of transition and the Group's strategic plan over this financial period. Within this three year timeframe, extension periods are only included within the lease term if the Group is reasonably certain it will exercise the extension option. The lease term is only reduced by the break period if the Group is reasonably certain it will exercise the termination option. Where an evergreen lease is expected to continue beyond this three year timeframe, a three year period has been used as the lease term as this is the period that the lease term can be considered to be reasonably certain, unless there are specific strategic plans expected to occur within this timeframe for each asset that would be contrary to this assumption.

Judgements and estimates
Yacht insurance receivable
The Group continues to repair or replace its fleet of yachts in the BVI following the damage caused by Hurricane Irma in September 2017. The Group is responsible for repairing or replacing the damaged leased fleet yachts and had insurance policies in place over the fleet. Consequently, the Group has recognised a £7.4m liability in relation to the contractually required cost of repairing damaged leased yachts, but also an £11m asset in relation to the insurance recovery in respect of owned and leased yachts that is considered virtually certain.

Throughout the year and up until the date of signing these consolidated financial statements, the Group has borne the cost of repairing these yachts and estimated the amount of the insurance receivable from the Group's fleet insurers, that is considered to be virtually certain. Cash received throughout the financial year and after the balance sheet and up to the date of signing the financial statements provides evidence that the Group's claims are virtually certain. The Group has not recognised any amount that is not considered to be virtually certain.

Impairment of assets as a result of Covid-19
Management has reviewed the recoverable values of assets as a result of Covid-19, in particular whether the impact of the global pandemic will cause a change in view of the long term use of these assets. This review follows the decisions made to restructure and reorganise many of our Group's businesses, including the future intended use of some of our leased properties and capitalised software costs. Judgement is required to determine whether certain assets will be used and estimates of the expected costs or benefits are then required to determine whether an impairment has arisen. Impairments to right of leased assets have been recognised totalling £1.6m as a result of decisions being made to fully or partially close leased offices, whilst impairments to computer software have totalled £5.0m, these being for two substantial IT projects where changes in strategic direction of these projects as a result of Covid-19 mean that these values are no longer supportable.

Judgement and estimates are also required to consider whether any impairments (and write offs) have arisen to prepayments made in respect of cancelled flights or refund credit notes from suppliers. In determining these estimates, each of the Group's businesses considers their own level of risk of impairment to its prepayments and takes into account the nature of the supplier, the timeframe that they have to utilise any refund credit note received from the supplier, the likelihood of the business being able to utilise the credit note against future trips, cash refunds provided after the balance sheet date and the likelihood of cash being returned in the future in the event that a refund credit note cannot be used at its expiry date.

Carrying value and useful economic lives of brands and other acquisition-related intangible assets
Following the Group's acquisition of the Travelopia Group in 2017, the Group has recognised brands with a carrying value of £38.8m (2019: £47.3m), the material ones being listed in Note 18. Judgements and estimates are required to determine the most appropriate useful economic lives of each brand. In making these, the Executive Leadership Team continue to review and assess the strategy for each branded business, especially in light of decisions made to restructure and reorganise businesses as a result of Covid-19. As a result of this assessment, impairment charges totalling £2.5m have been recognised so as to fully impair the brand values of five of our smaller brands, which have either been closed or are no longer used, restructured or merged into other Group businesses. The Directors are satisified that our core brands will return to profitability in the medium term and as such, expect that the recoverable value of each of the core brands to exceeds their book values. Whilst there have been no changes to the useful economic lives in the current financial year, future changes to the Group's strategy in light of Covid-19 and hence changes to the useful economic lives of our brands cannot be ruled out, which could either individually or in aggregate, materially impact the carrying value of the brands, together with the annual amortisation and/or impairment charges for that financial year.

Useful economic lives and residual values of marine vessels
The annual depreciation charge for property, plant and equipment is driven by, and sensitive to, both changes in the useful economic lives and residual values of marine vessels (i.e. boats and yachts). Judgement and estimates are required to determine the most appropriate useful economic lives of each type of vessel and estimates are required for determining residual values. Both the useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation, physical condition of the assets and profits/losses experienced over time arising on their disposal.

Determining the incremental borrowing rate used to measure lease liabilities
In applying IFRS 16, the Group cannot readily determine the interest rate implicit in the lease and such, the incremental borrowing rate ("IBR") has been used to measure lease liabilities. Judgement is applied in determining the components of the IBR used for each lease including risk-free rates, the Group's credit risk and any lease specific premiums or adjustments. Estimates are then required of each of these elements: use of the appropriate risk-free rate is estimated using government bond rates in the country or principal division of the Group's business leasing the asset; the Group's credit risk is estimated since the Group borrows at different rates for its term loan and revolving credit facility and which are reset quarterly within certain parameters by the Group's lending banks; and estimates are required to determine any risk premium applied to each lease, which is based on the quality of the asset and the length of time the asset is leased for.

The assessment and changes to the IBRs used could materially impact the value of lease liabilities and the respective right of use asset recognised in the balance sheet. Whilst a change in the IBRs used would also have an impact on the depreciation of the right of use asset and interest on the lease liability in the consolidated income statement, this impact on the Group's profit before tax is not considered to be material since a higher IBR gives rise to a lower capitalised asset and liability value and hence lower depreciation but a higher offsetting interest expense and vice versa.

9. Revenue from contracts with customers

Revenue is analysed as follows:

Type of good or service	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Sale of holidays	**377.1**	903.7
Sale of yachts and boats	**113.2**	107.4
Total revenue from contracts with customers	**490.3**	1,011.1

Timing of revenue recognition	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Over time	**367.0**	893.6
Point in time	**123.3**	117.5
Total revenue from contracts with customers	**490.3**	1,011.1

Revenue for the financial year is analysed by source and destination as follows:

	Year ended 30 September 2020		Year ended 30 September 2019 (restated)	
By Geography	**Source £m**	**Destination £m**	Source £m	Destination £m
United Kingdom	**133.1**	**13.4**	345.4	49.2
Europe (excluding the UK)	**85.6**	**130.1**	148.7	307.9
North America (including Canada)	**195.2**	**57.8**	444.2	136.4
Central and South America	**11.5**	**20.2**	7.3	65.0
Caribbean	**4.5**	**74.9**	4.1	105.4
Africa	**8.2**	**32.4**	4.9	74.1
Asia	**21.9**	**52.9**	14.1	123.8
Middle East	**4.8**	**5.2**	5.8	11.2
Australia, New Zealand and Oceania	**25.5**	**33.5**	36.6	55.9
Arctic and Antartctica	**-**	**69.9**	-	82.2
Total	**490.3**	**490.3**	1,011.1	1,011.1

Revenues for the financial year ended 30 September 2019 have been restated following the disposal of the North American Education division, which has been treated as a discontinued operation. Further details are provided in Note 3.

10. Employees

Average number of employees

The average monthly number of employees in the Group during the financial year by division was as follows:

	Year ended 30 September 2020	Year ended 30 September 2019 (restated)
Full time	**2,263**	2,439
Part-time	**180**	238
Temps & seasonal	**223**	454
	2,666	3,131

Full time employees include those furloughed for all or some of the time from April to September 2020 in accordance with national Government job retention schemes.

Employee costs	**Year ended 30 September 2020 £m**	Year ended 30 September 2019 (restated) £m
Wages and salaries	**111.1**	135.8
Social security costs	**8.6**	10.8
Pension costs: Defined contribution pension scheme cost	**2.5**	2.8
	122.2	149.4

Employee numbers and related employee costs for the financial year ended 30 September 2019 have been restated following the disposal of the North American Education division, which has been treated as a discontinued operation. Further details are provided in Note 3.

Wages and salaries are presented net of £5.1m (2019: £nil) of government grants for employee cost compensation schemes, such as the UK governments furlough scheme and include £10.8m (2019: £9.8m) of costs which are also presented within Separately disclosed items in Note 13. Employee costs include £4.1m (2019: £3.1m) of cruise staff contractors that have been considered as employees for the purpose of disclosing employee costs.

Key management compensation

The Company has no employees or employee related costs and the Directors of the Company received no emoluments from the Group during the financial year. The following key management figures comprise the remuneration and social security costs of the Group's Executive Leadership Team ('ELT'). The Group considers the ELT members to be those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group.

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Aggregate emoluments	**3.6**	5.1
Termination benefits	**-**	1.1
Pensions benefits	**0.1**	0.1
	3.7	6.3

11. Income, expenses and auditors' remuneration

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Included within loss before tax from continuing operations in the consolidated income statement for the financial year are the following charges/(credits):		
Depreciation of property, plant and equipment	**17.8**	18.5
Depreciation of right of use assets	**33.9**	-
Amortisation of intangible assets: other intangibles	**6.0**	5.7
Impairment of property plant and equipment	**1.0**	0.8
Impairment of right of use assets	**1.4**	-
Impairment of other intangible assets	**5.0**	7.7
Depreciation, amortisation and impairment on non-acquisition related assets	**65.1**	32.7
Amortisation of intangible assets: business combination intangibles	**3.4**	4.8
Impairment of acquisition-related intangible assets	**2.5**	12.2
Total depreciation, amortisation and impairment charges in continuing operations	**71.0**	49.7
Gains on disposal of property, plant and equipment and intangibles	**(6.4)**	(0.4)
Operating lease rentals: aircraft, cruise ships, yachts and boats, land and buildings and other equipment accounted for in accordance with IAS 17	**-**	68.7
Short term lease costs accounted for in accordance with IFRS 16	**16.9**	-
Gains on foreign currency translation	**(0.2)**	(1.4)
Impairment of trade receivables	**-**	0.7

Services provided by the Company's auditors and its associates

During the financial year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Fees payable to the Company's auditors for the audit of the Parent Company and consolidated financial statements	**0.1**	0.1
Fees payable to the Company's auditors and its associates for other services:		
Audit of the Company's subsidiaries pursuant to legislation	**0.7**	0.7
Auditors' remuneration for audit services	**0.8**	0.8
Other services provided to comply with legislation[1]	**0.1**	0.1
Audit and audit related services	**0.9**	0.9

[1] Relates principally to regulatory returns

12. Acquisition and disposal related items

Acquisition and disposal related items comprise the following expenses, which are included within administrative expenses whilst the loss on disposal of Group subsidiaries has been disclosed separately as other expenses within the consolidated income statement.

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Acquisition and disposal related items in operating loss		
Amortisation of business combination intangibles (Note 18)	**(3.4)**	(4.8)
Impairment of business combination intangibles (Note 18)	**(2.5)**	(12.2)
Employment related deferred consideration	**(1.9)**	(0.7)
Acquisition and disposal transaction fees	**-**	(1.3)
	(7.8)	(19.0)
Other disposal related items		
Loss on disposal of Group subsidiaries	**-**	(0.6)
	(7.8)	(19.6)

Certain costs for the financial year ended 30 September 2019 have been restated following the disposal of the North American Education division in the financial year ended 30 September 2020, which has been treated as a discontinued operation. Further details are provided in Note 3. The loss on disposal of Group subsidiary companies in the financial year ended 30 September 2019 represents the losses for those companies disposed which have not been classified as a discontinued operation.

13. Separately disclosed items

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Covid-19 related costs	**12.9**	-
Non Covid-19 related restructuring costs	**3.4**	13.2
Other costs and charges	**3.1**	12.6
	19.4	25.8
Settlement income	**-**	(1.0)
Separately disclosed items	**19.4**	24.8

Certain costs for the financial year ended 30 September 2019 have been restated following the disposal of the North American Education division in the financial year ended 30 September 2020, which has been treated as a discontinued operation. Further details are provided in Note 3.

Covid-19 costs

A further analysis of the Covid-19 related costs incurred is as follows:

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Restructuring costs	**9.7**	-
Trip cancellation and related costs	**3.2**	-
	12.9	-

Non Covid-19 related restructuring costs

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Executive leadership team and personnel restructure and reorganisation costs	**0.9**	3.0
Other Group and divisional costs for restructuring and strategic projects	**1.6**	9.0
M&A project costs for other/incomplete acquisitions and disposals	**0.9**	1.2
	3.4	13.2

As part of Group's long term strategic plan, other restructuring, unrelated to the Group's restructuring as a result of Covid-19, has continued across a number of the Group's divisions, the costs for which have totalled £3.4m (2019 restated: £13.2m) in the financial year. This includes the closure of our AmeriCan Adventure business in the US; the closure of a number of Yacht and Boat bases across the world and the restructure of our Sales, back office and Finance function within our Yachts brands.

Other separately disclosed costs and charges
Additional analysis of other separately disclosed costs and charges is as follows:

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Hurricanes Irma and Dorian related costs	-	0.7
TCS aircraft handback related costs	**0.3**	1.7
Costs arising from the failure of Thomas Cook	-	0.9
Quark expedition cancellation costs	-	2.1
KKR fees	**0.8**	1.0
Legal cases and advisory fees	**1.3**	3.2
Long term incentive plan charges	-	1.4
Other costs and charges for one off/specific projects	**0.7**	1.6
	3.1	12.6

Fees charged by KKR of £0.8m (2019: £1.0m) have been included as a Separately disclosed item since these are considered to be a charge based on the Group's ownership structure and not from tour operations. The legal fees in both financial years primarily relate to one legal case in the US that was satisfactorily settled after the balance sheet date and are classified within Separately disclosed items due to the quantum of the costs incurred, the long running timeframe and also the nature of the case.

Separately disclosed items within operating profit are included within the consolidated income statement as follows:

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Cost of sales	**5.5**	5.3
Distribution costs	**1.8**	-
Administrative expenses	**12.1**	19.5
	19.4	24.8

14. Financial income

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Bank interest income	**0.7**	0.4
Foreign exchange gains on financial items	**0.7**	4.3
Gains on derivative financial instruments	**0.5**	-
Other interest income	**0.1**	0.5
Financial income	**2.0**	5.2

15. Financial expenses

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Bank and other interest payable	**6.8**	5.1
Facility fees and accretion of loan issue costs	**0.9**	1.4
Interest expense on lease liabilities	**6.9**	-
Foreign exchange losses on financial items	**3.9**	1.1
Losses on derivative financial instruments	**-**	10.7
Financial expenses	**18.5**	18.3

16. Taxation

The tax (credit)/charge can be summarised as follows:

(i) Analysis of (credit)/charge in the financial year

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Current tax charge/(credit)		
UK corporation tax on profit for the financial year	**-**	-
Non-UK tax on loss for the financial year	**4.8**	7.6
Adjustment in respect of prior years	**(4.2)**	(3.6)
	0.6	4.0
Deferred tax (credit)/charge		
Origination and reversal of temporary differences:		
Current year UK	**(2.5)**	(3.5)
Current year non-UK	**(4.9)**	1.7
Adjustment in respect of prior years	**(0.5)**	(0.7)
	(7.9)	(2.5)
Total income tax (credit)/charge in the consolidated income statement	**(7.3)**	1.5

The tax charge for the financial year ended 30 September 2019 has been restated following the disposal of the North American Education division, which has been treated as a discontinued operation. Further details are provided in Note 3. The adjustment in respect of prior years arises due changes in the estimated amount of tax payable, primarily following the ability to carry back losses from the current financial year in the United States.

(ii) Reconciliation of effective tax rate

The total tax (credit)/charge for the financial year is different to the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Year ended 30 September 2020 £m	Year ended 30 September 2019 (restated) £m
Loss before tax	**(145.1)**	(41.7)
Loss multiplied by the UK standard rate of tax of 19%	**(27.6)**	(7.9)
Effects of:		
Expenses not deductible for tax purposes	**2.6**	3.1
Income not taxable	**(0.6)**	(1.5)
Foreign earnings taxable in the United States	**2.9**	1.1
Tax losses not recognised as deferred tax asset	**23.7**	5.0
Different tax rates on overseas earnings	**(3.7)**	3.9
Effect of changes in tax rates	**(0.2)**	0.4
Overseas taxes paid	**0.3**	1.7
Adjustment in respect of prior years	**(4.7)**	(4.3)
Total income tax (credit)/charge in consolidated income statement	**(7.3)**	1.5

(iii) Factors affecting the future tax charge

UK Corporation tax

In the Spring 2020 Budget, the UK Government announced that from 1 April 2020 the UK corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was subtantively enacted at the balance sheet date and its effects are included in these consolidated financial statements. In March 2021, the UK Government further announced an increase to the main rate of UK corporation tax to 25% from 1 April 2023. As the proposed change had not been substantively enacted at the balance sheet date, the measurement of UK deferred taxes in these financial statements is unaffected by the announcement.

17. Discontinued operations

In the financial year ended 30 September 2019, the Group announced its intention to dispose of the Education division, which then comprised of 10 brands, including six in North America. On 4 November 2019, four of the US-based businesses within this division were sold to WorldStrides, a US-based Educational Student Travel Group: the US and Canadian Brightspark businesses, Les Tours Jumpstreet Tours and Travel Turf (known as World Class Vacations). In July 2020, the one remaining North American business within this division, Student City, was sold to its management. In the judgement of the Directors, the division was of sufficient size to meet the test for being a discontinued operation and the results of the business have thus been accounted for in accordance with IFRS 5 'Non-current assets held for sale and discontinued operations', such that they are presented separately in the statement of comprehensive inome. The Consolidated income statement for the financial year ended 30 September 2019 has therefore been restated as follows:

Year ended 30 September 2019	As previously presented £m	North American Education business £m	Restated £m
		£m	£m
Revenue	1,100.4	(89.3)	1,011.1
Cost of sales	(831.4)	67.7	(763.7)
Gross profit	269.0	(21.6)	247.4
Distribution costs	(116.4)	8.4	(108.0)
Administrative expenses	(182.5)	14.4	(168.1)
Other income	0.1	-	0.1
Operating loss	(29.8)	1.2	(28.6)
Financial income	5.2	-	5.2
Financial expenses	(18.3)	-	(18.3)
Loss before taxation	(42.9)	1.2	(41.7)
Taxation charge	(2.9)	1.4	(1.5)
Loss for the financial year from continuing operations	(45.8)	2.6	(43.2)
Loss for the financial year from discontinued operations	-	-	(2.6)
Loss for the year from discontinued operations	(45.8)	2.6	(45.8)

The Group's balance sheet as at 30 September 2019 has not been restated in accordance with IFRS 5.

A further analysis of the results of the North American Education division and the profit recognised on its disposal is as follows:

	Year ended 30 September 2020	Year ended 30 September 2019
	£m	£m
Revenue	**3.6**	89.3
Cost of sales	**(2.3)**	(67.7)
Gross profit	**1.3**	21.6
Distribution costs	**(1.0)**	(8.4)
Administrative expenses	**(4.4)**	(14.4)
Operating loss and loss before tax	**(4.1)**	(1.2)
Tax charge	**-**	(1.4)
Loss after tax	**(4.1)**	(2.6)
Gross profit on disposal	**30.6**	-
Tax on disposal	**(1.7)**	-
Net profit on disposal	**28.9**	-
Profit/(loss) for the year from discontinued operations	**24.8**	(2.6)

The profit on disposal was calculated as follows:

	£m
Intangible assets	7.8
Property, plant and equipment	0.4
Inventories	0.1
Current trade and other receivables	12.6
Cash and cash equivalents	9.1
Current investments	2.1
Trade and other payables	(24.7)
Deferred tax liabilities	(0.1)
Net assets disposed	7.3
Consideration received in cash	34.9
Consideration receivable	3.0
Total consideration	**37.9**
Less: net assets disposed	(7.3)
Pre-tax profit on disposal	**30.6**

Cash flows from discontinued operations

	Year ended 30 September 2020	Year ended 30 September 2019
	£m	£m
Operating cash flows	**4.3**	4.0
Investing cash flows	**33.4**	(2.7)
Financing cash flows	**(0.4)**	(10.4)
Total cash flows	**37.3**	(9.1)

18. Intangible assets

	Goodwill £m	Brands £m	Customer relationships £m	Order book £m	Contracts £m	Computer software £m	Software in development £m	Licences £m	Total £m
Cost									
At 30 September 2018	-	67.2	13.3	12.7	4.3	26.4	4.6	2.0	130.5
Arising on acquisition	9.8	4.1	0.4	0.8	-	2.7	-	-	17.8
Additions	-	-	-	-	-	4.4	7.8	-	12.2
Transfers	-	-	-	-	-	2.2	(0.9)	-	1.3
Asset reclassifications	-	-	-	-	-	2.0	(2.0)	-	-
Disposals	-	(0.6)	-	(12.7)	-	(0.7)	-	-	(14.0)
Foreign exchange	-	1.5	0.3	-	0.1	0.4	0.1	-	2.4
At 30 September 2019	9.8	72.2	14.0	0.8	4.4	37.4	9.6	2.0	150.2
Additions	-	-	-	-	-	6.1	6.0	-	12.1
Transfers	-	-	-	-	-	8.1	(8.1)	-	-
Asset reclassifications	-	-	-	-	-	-	1.1	-	1.1
Disposals	-	(5.0)	(5.3)	-	-	(7.0)	(0.8)	-	(18.1)
Foreign exchange	-	(1.1)	(0.2)	-	(0.1)	(0.5)	-	-	(1.9)
At 30 September 2020	**9.8**	**66.1**	**8.5**	**0.8**	**4.3**	**44.1**	**7.8**	**2.0**	**143.4**
Accumulated amortisation									
At 30 September 2018	-	(8.4)	(5.9)	(12.7)	(0.4)	(8.2)	-	-	(35.6)
Provided in the financial year	-	(2.9)	(2.5)	(0.1)	(0.2)	(6.2)	-	-	(11.9)
Impairment loss	-	(13.6)	(0.8)	-	-	(6.9)	(0.8)	-	(22.1)
Transfers	-	-	-	-	-	(0.2)	-	-	(0.2)
Disposals	-	0.1	-	12.7	-	0.6	-	-	13.4
Foreign exchange	-	(0.1)	(0.1)	-	-	(0.2)	-	-	(0.4)
At 30 September 2019	-	(24.9)	(9.3)	(0.1)	(0.6)	(21.1)	(0.8)	-	(56.8)
Provided in the financial year	-	(2.1)	(0.6)	(0.4)	(0.3)	(6.0)	-	-	(9.4)
Impairment loss	-	(2.5)	-	-	-	(5.0)	-	-	(7.5)
Disposals	-	2.0	2.5	-	-	5.7	-	-	10.2
Foreign exchange	-	0.2	0.1	-	-	0.1	-	-	0.4
At 30 September 2020	**-**	**(27.3)**	**(7.3)**	**(0.5)**	**(0.9)**	**(26.3)**	**(0.8)**	**-**	**(63.1)**
Net book value									
At 30 September 2019	9.8	47.3	4.7	0.7	3.8	16.3	8.8	2.0	93.4
At 30 September 2020	**9.8**	**38.8**	**1.2**	**0.3**	**3.4**	**17.8**	**7.0**	**2.0**	**80.3**

Goodwill, brands, customer relationships and order book values arose on the acquisition of the Enchanting Travel group. Amortisation of intangible assets of £9.4m (2019: £11.9m) is recognised in the consolidated income statement within administrative expenses.

In accordance with IAS 36, an impairment test has been performed on the recoverability of the goodwill relating to the acquisition of Enchanting Travels. The recoverable amount has been based on a value in use basis, using formally approved short term budgets and a expectation of a return to profitability over a three year period following the global pandemic. In the medium, post-pandemic term, Enchanting Travels is expected to undertake expansion in its destination offering to drive profitability growth in this period. Management uses its significant tour operating experience in estimating revenue and cost growth during this period of expansion to derive future cash flows. The Directors remain confident that the business will achieve the same profitability levels in the medium term that were previously anticipated when the business was acquired. A growth rate of 1% has been used to extrapolate cash flow projections into perpetuity whilst a post tax discount rate of 14.7% has been used..

Individual intangible assets within the above categories include the following material values of brands:

	Remaining amortisation period Years	**30 September 2020 Brands £m**	30 September 2019 Brands £m
Quark Expeditions	22	**6.4**	7.0
TCS World Travel	22	**7.4**	8.1
Exodus	22	**6.8**	7.2
Enchanting Travels	14	**3.8**	4.0
The Moorings	17	**3.4**	3.6
Sunsail	17	**2.1**	2.2

The Group comprises approximately 30 specialist travel companies that trade under the name of their own brand. The Group's ten revenue generating divisions contain various entities that employ different brands which are used to go to market. In most cases the brands are the same as, or similar to, the trading names of the entities within the specific division and the entities are reliant on their own brand names for their marketing efforts.

As a result of the global pandemic, the carrying value of the intangible assets have been reviewed for impairment as at 30 September 2020. An impairment charge totalling £2.5m has been incurred to fully impair five smaller brand values as a result of the Group's restructuring and closure of these businesses. This impairment loss has been recognised within administrative expenses during the financial year. The Directors are confident that with a return to profitability in the medium term, the recoverable value of the Group's intangible assets exceed their carrying values.

An impairment charge to computer software of £5.0m (2019: £6.9m) has been recognised which primarily relates to two the Group's central IT projects, following decisions taken to change their strategic direction in response to Covid-19. Each element of the projects has been reviewed, with the relevant asset value being impaired in full where the Group has no current intention of utilising the asset and its carrying value cannot be supported.

19. Property, plant and equipment

	Land and buildings £m	Yachts and motor boats £m	Aircraft equipment £m	Computer equipment £m	Other equipment £m	Total £m
Cost						
At 30 September 2018	50.7	140.7	5.4	3.9	17.8	218.5
Arising on acquisition	-	-	-	0.1	-	0.1
Additions	6.5	14.3	-	0.8	9.9	31.5
Transfers	2.3	1.7	-	(0.2)	(5.1)	(1.3)
Asset reclassifications	-	-	-	0.1	(0.1)	-
Disposals	(0.4)	(8.7)	-	-	(0.4)	(9.5)
Foreign exchange	2.0	2.0	0.3	0.1	0.8	5.2
At 30 September 2019	61.1	150.0	5.7	4.8	22.9	244.5
Additions	0.6	11.9	-	0.3	25.5	38.3
Transfers	0.2	7.1	0.2	0.1	(7.6)	-
Asset reclassifications	-	-	-	-	(1.1)	(1.1)
Disposals	(1.1)	(19.5)	(4.8)	(0.1)	(1.3)	(26.8)
Foreign exchange	(1.8)	(0.3)	(0.4)	-	(0.6)	(3.1)
At 30 September 2020	**59.0**	**149.2**	**0.7**	**5.1**	**37.8**	**251.8**
Accumulated depreciation						
At 30 September 2018	(10.4)	(7.3)	(0.7)	(1.1)	(1.4)	(20.9)
Transfers	-	-	-	-	0.2	0.2
Provided in the financial year	(1.8)	(11.0)	(2.5)	(1.2)	(2.2)	(18.7)
Impairment	(0.4)	-	-	(0.4)	-	(0.8)
Disposals	0.4	0.1	-	-	0.2	0.7
Foreign exchange	(0.6)	(1.3)	(0.1)	(0.1)	-	(2.1)
At 30 September 2019	(12.8)	(19.5)	(3.3)	(2.8)	(3.2)	(41.6)
Provided in the financial year	(2.6)	(11.1)	(1.2)	(1.0)	(1.9)	(17.8)
Impairment	(0.1)	-	(0.9)	0.1	(0.1)	(1.0)
Disposals	0.5	2.7	4.8	(0.1)	0.6	8.5
Foreign exchange	0.5	0.2	0.3	-	0.1	1.1
At 30 September 2020	**(14.5)**	**(27.7)**	**(0.3)**	**(3.8)**	**(4.5)**	**(50.8)**
Net book value						
At 30 September 2019	48.3	130.5	2.4	2.0	19.7	202.9
At 30 September 2020	**44.5**	**121.5**	**0.4**	**1.3**	**33.3**	**201.0**

Other disclosures

Other equipment includes assets under construction with both a cost and net book value of £28.8m (2019: £13.6m) as at 30 September 2020, which principally comprises of Quark Expedition's new ship and TCS World Travel's owned aircraft equipment (which will be fitted in its new planes), both of which are scheduled for delivery after the balance sheet date. During the financial year, additions to assets under construction totalled £24.9m (2019: £8.5m), whilst £7.4m (2019: £5.4m) was brought into use and transferred largely into yachts and motor boats.

20. Right of use assets and lease liabilities

The Group leases various properties, including office space and boat and yacht bases (both classified within land and building), expedition ships, yachts and motor boats and motor vehicles. The Yachts and Le Boat run similar "Guaranteed Income" schemes whereby yachts and motor boats are sold to private customers and then leased back over a fixed term period (usually between five and six years), in return for access to the customer's respective yacht or motor boat for a number of weeks each year together with a fixed monthly income. These schemes provide the Group with access to these vessels such that they can then be chartered to other customers, providing flexibility and control over the fleet size.

An analysis of the number of leased assets that gave rise to right of use asset during the financial year was as follows:

	Land and buildings	Expedition ships, yachts and motor boats	Motor vehicles	Total
Number of leases				
At 1 October 2019 on transition to IFRS 16	102	440	37	579
Additions during the financial year	11	133	3	147
Disposals	(9)	(17)	(1)	(27)
At 30 September 2020	**104**	**556**	**39**	**699**

In addition, on transition to IFRS 16 on 1 October 2019, the Group had 130 leases with a remaining term at transition date of less than one year, for which the short-term exemption has been taken, such that these are not included within the figures in these tables, but were instead, expensed in the financial year.

Carrying amount of right of use asset

	Land and buildings £m	Expedition ships, yachts and motor boats £m	Motor vehicles £m	Total £m
Cost				
At 1 October 2019 on transition to IFRS 16	27.1	41.2	0.2	68.5
Additions during the financial year	3.2	54.2	-	57.4
Modification of lease term	(4.3)	14.3	-	10.0
Disposals	(0.7)	(1.6)	-	(2.3)
Foreign exchange	0.3	0.6	-	0.9
At 30 September 2020	**25.6**	**108.7**	**0.2**	**134.5**
Accumulated depreciation				
At 1 October 2019 on transition to IFRS 16	-	-	-	-
Provided in the financial year	(7.7)	(26.1)	(0.1)	(33.9)
Impairment	(1.4)	-	-	(1.4)
Disposals	0.3	1.3	-	1.6
Foreign exchange	-	0.4	-	0.4
At 30 September 2020	**(8.8)**	**(24.4)**	**(0.1)**	**(33.3)**
Net book value				
At 30 September 2020	**16.8**	**84.3**	**0.1**	**101.2**

Impairment charges totalling £1.4m (2019: £nil) have been recognised in respect of closed leased properties in the financial year as a response to global pandemic.

Analysis of lease liabilities

	Land and buildings £m	Expedition ships, yachts and motor boats £m	Motor vehicles £m	Total £m
Lease liabilities				
At 1 October 2019 on transition to IFRS 16	(27.1)	(41.2)	(0.2)	(68.5)
Additions during the financial year	(3.3)	(58.1)	-	(61.4)
Repayments	8.3	27.8	0.1	36.2
Modification of lease term	4.3	(14.3)	-	(10.0)
Interest charged	(1.4)	(5.5)	-	(6.9)
Disposals	0.4	0.4	-	0.8
Foreign exchange	-	(0.5)	(0.1)	(0.6)
At 30 September 2020	**(18.8)**	**(91.4)**	**(0.2)**	**(110.4)**

At 30 September 2020				
Analysed as:				
Non-current	(12.1)	(67.2)	(0.1)	**(79.4)**
Current	(6.7)	(24.2)	(0.1)	**(31.0)**
	(18.8)	**(91.4)**	**(0.2)**	**(110.4)**

A maturity analysis of contractual undiscounted lease liabilities is set out below:

	30 September 2020 £m
Less than one year	**(38.7)**
One to two years	**(34.4)**
Two to five years	**(56.9)**
More than five years	**(10.7)**
Total contractual undiscounted lease liabilities	**(140.7)**

Amounts recognised in the consolidated statement of total comprehensive income

	Year ended 30 September 2020 £m
Profits on sale and leaseback transactions	**5.8**
Depreciation of right-of use assets (as analysed by asset class in the asset table above)	**33.9**
Interest expense on lease liabilities (included in finance costs)	**6.9**
Expenses related to short-term leases (included in cost of sales and administrative expenses)	**16.9**

The total cost relating to leases of low-value assets and variable lease payments are considered to be immaterial. Since the Group does not generally enter into lease agreements for a period of less than one year, at 30 September 2020, the expected charge for lease commitment for short-term leases in the year ending 30 September 2021 is £nil.

Cash outflows from leases

	Year ended 30 September 2020
	£m
Total cash outflows for leases (principal and interest repayments)	36.2

Other information

Rental contracts are typically made for fixed periods of 12 months to 7 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose covenants other than the security interests in leased assets that are held by the lessor. No leased assets hvae been used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the Group. These are used to provide operational flexibility in terms of managing the assets used in Group operations. The majority of extention and termination options are exercisable only by the Group and not by the respective lessor.

At the financial year end, the Group had committed to the lease and subsequent purchase of its new build polar expedition ship, Ultramarine. The base price of the ship is €106.4m, for which the Group has arranged financing with China Construction Bank ("CCB"), enabling the Group to sell and lease it back on its delivery from the shipyard. The contract with CCB includes an option to purchase the ship at any point in time between the third and tenth anniversary of delivery, after which point there is an obligation to purchase the ship at the tenth anniversary of delivery. The Group took delivery of the Ultramarine on 1 April 2020 and expects that it will be able to take its first customers later on in 2021. The value of the ship, together with the related financing will be capitalised in the financial year ending 30 September 2021.

Further information on the Ultramarine can be found on www.quarkexpeditions.com/expedition-ships/ultramarine

Our Group subsidiary, TCS World Travel, has also committed to leasing two Airbus A321 NEO Long Range aircraft for delivery after the year end with lease term to the Spring 2028. Annual lease commitments (excluding service fees) at 30 September 2020 for these two aircraft were as follows:

	£m
Total commitments under leases falling due:	
No later than one year	2.0
Between one year and two years	4.9
Between two and five years	14.7
Later than five years	14.7
Total	36.3

21. Trade and other receivables

	30 September 2020			30 September 2019		
	Current assets	**Non-current assets**	**Total assets**	Current assets	Non-current assets	Total assets
	£m	**£m**	**£m**	£m	£m	£m
Trade receivables, gross	**10.2**	**-**	**10.2**	9.0	-	9.0
Less: allowance for expected credit losses	**(1.2)**	**-**	**(1.2)**	(1.5)	-	(1.5)
	9.0	**-**	**9.0**	7.5	-	7.5
Receivables from related parties	**-**	**2.0**	**2.0**	1.9	-	1.9
Other receivables	**23.8**	**4.3**	**28.1**	10.0	3.8	13.8
	32.8	**6.3**	**39.1**	19.4	3.8	23.2
Prepayments	**22.7**	**-**	**22.7**	72.8	-	72.8
Total	**55.5**	**6.3**	**61.8**	92.2	3.8	96.0

The maximum exposure to credit risk for trade receivables is analysed by geographic region as follows:

	30 September 2020	30 September 2019
	£m	£m
United Kingdom	**3.1**	5.0
United States of America	**4.8**	2.4
Europe excluding United Kingdom	**1.8**	0.9
Rest of the World	**0.5**	0.7
Total	**10.2**	9.0

Trade receivables are disclosed net of the allowance for expected credit losses, an analysis of which is shown below:

	30 September 2020	30 September 2019
	£m	£m
Balance at 1 October	**1.5**	0.9
Charged to the consolidated income statement	**-**	0.7
Utilised	**(0.3)**	(0.1)
Total	**1.2**	1.5

The ageing of interest bearing receivables and trade and other receivables at the balance sheet date was:

	30 September 2020			30 September 2019		
	Gross	**Allowance**	**Net**	Gross	Allowance	Net
	£m	**£m**	**£m**	£m	£m	£m
Not due or overdue	**30.6**	**(0.6)**	**30.0**	17.6	(0.8)	16.8
Overdue 1-30 days	**0.3**	**-**	**0.3**	0.4	(0.4)	-
Overdue 31-90 days	**0.4**	**-**	**0.4**	0.5	(0.1)	0.4
Overdue 91-180 days	**0.2**	**-**	**0.2**	0.7	(0.2)	0.5
Overdue over 180 days	**1.2**	**(0.6)**	**0.6**	-	-	-
Total	**32.7**	**(1.2)**	**31.5**	19.2	(1.5)	17.7

Credit exposure to individual customers booking expeditions, tours and holidays directly is limited as full payment is required before the issue of tickets and departure. In the case of travel services sold by third party agents, the credit risk depends on the creditworthiness of those third parties, but this risk is also limited because of the relatively short period of credit and the large number of travel agencies used across the Group.

No individually material bad debt provision movement or charge has been recorded in the financial year. Based on past experience and the post balance sheet period to the date of approval of these consolidated financial statements, the Group considers that the provision allowance recorded is adequate. Within the provision there are no individually material amounts held. Provisions for doubtful debts in respect of trade receivable balances are managed by each underlying business unit where the debts arise and are based on local management experience. Factors considered include the age of the receivable, previous experience with the counterparty and the economic environment in which the counterparty is located.

Receivable from related parties of £2.0m (2019: £1.9m) represents amounts due from Tim Topco Limited, the Company's immediate parent company.

Prepayments include amounts paid in advance to suppliers of flight, accommodation and other services in order to guarantee the provision of those supplies. There is a performance risk in respect of the continued operation of those suppliers during the period over which the supplies are made, the maximum amount of risk being equal to the carrying value.

22. Deferred tax assets and liabilities

	30 September 2020		
	Assets	**Liabilities**	**Net**
	£m	**£m**	**£m**
Acquisition related intangible assets	**4.8**	**(12.4)**	**(7.6)**
Other intangible assets, property, plant and equipment and right of use assets	**3.7**	**(5.6)**	**(1.9)**
Financial instruments	**1.5**	**(0.1)**	**1.4**
Other short-term temporary differences	**13.7**	**(1.2)**	**12.5**
Tax value of losses carried forward	**3.0**	**(0.1)**	**2.9**
Total	**26.7**	**(19.4)**	**7.3**
Set off of deferred tax within the same jurisdiction	**(8.7)**	**8.7**	**-**
Net deferred tax assets	**18.0**	**(10.7)**	**7.3**

	30 September 2019		
	Assets	Liabilities	Net
	£m	£m	£m
Acquisition related intangible assets	6.4	(12.9)	(6.5)
Other intangible assets and property, plant and equipment	5.2	(8.5)	(3.3)
Financial instruments	1.9	(0.4)	1.5
Other short-term temporary differences (restated)	6.9	(0.2)	6.7
Tax value of losses carried forward	1.7	-	1.7
Total	22.1	(22.0)	0.1
Set off of deferred tax within the same jurisdiction	(5.6)	5.6	-
Net deferred tax assets	16.5	(16.4)	0.1

Acquisition related intangible assets relate to temporary differences in respect of assets and liabilities recognised on the acquisition of the Travelopia Group. Temporary differences on property, plant and equipment and right of use assets principally relate to tax depreciation being different to accounting depreciation in the UK and the US. Financial instruments arise in respect of financial instruments accounted for under IFRS 9 and principally reflect the fair value at 30 September 2019 of derivatives that will be settled against future transactions. Other short-term temporary differences principally relate to operating expenses and related accruals and provisions for which a tax deduction has yet to be recognised. The Group has recognised deferred tax assets relating to tax losses in individual tax jurisdictions to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Movements in deferred taxation during the current financial year are analysed as follows:

	30 September 2019 £m	Disposal of discontinued operations £m	Credited/ (charged) to the consolidated income statement £m	Foreign exchange £m	30 September 2020 £m
Acquisition related intangible assets	(6.5)	0.1	(0.9)	(0.3)	**(7.6)**
Other intangible assets, property, plant and equipment and right of use assets	(3.3)	-	1.5	(0.1)	**(1.9)**
Financial instruments	1.5	-	(0.1)	-	**1.4**
Other short term temporary differences	6.7	(0.1)	6.2	(0.3)	**12.5**
Tax value of losses carried forward	1.7	0.1	1.2	(0.1)	**2.9**
Total	0.1	0.1	7.9	(0.8)	**7.3**

	30 September 2018 £m	Acquisition and disposals £m	Credited/ (charged) to the consolidated income statement £m	Foreign exchange £m	30 September 2019 £m
Acquisition related intangible assets	(6.6)	(1.8)	1.6	0.3	**(6.5)**
Other intangible assets and property, plant and equipment	(4.9)	(0.1)	2.0	(0.3)	**(3.3)**
Financial instruments	0.3	-	1.9	(0.7)	**1.5**
Other short term temporary differences	5.3	-	1.6	(0.2)	**6.7**
Tax value of losses carried forward	5.8	-	(5.6)	1.5	**1.7**
Total	(0.1)	(1.9)	1.5	0.6	**0.1**

Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items (reported at the applicable tax rate):

	30 September 2020 £m	30 September 2019 £m
Trading losses	**31.5**	11.8
Non-trading losses	**3.5**	0.4
Total losses	**35.0**	12.2

These assets have not been recognised principally because the Directors are not sufficiently certain of the timing of any taxable benefits that are expected to arise in the future.

23. Inventories

	30 September 2020 £m	30 September 2019 £m
Marine inventories	**38.7**	26.3
Other operating inventories	**1.9**	1.9
Total	**40.6**	28.2

24. Cash and cash equivalents

	30 September 2020 £m	30 September 2019 £m
Cash at bank - unrestricted	**145.8**	238.0
Cash at bank - deposits with maturity within three months	**-**	0.5
Cash at bank - other restricted	**15.9**	60.6
Cash in hand	**0.2**	0.3
Cash and cash equivalents	**161.9**	299.4

Cash at bank of £15.9m (2019: £60.6m) is restricted due to travel regulatory requirements, including £11.1m (2019: £57.1m) of which is restricted due to US travel regulations for flights, whereby customer deposits are held in a separate escrow account, which can only be used within certain periods prior to departure date for the purposes of paying direct costs of the trip and then returned to the company after the trip's return date.

25. Assets classified as held for sale

	30 September 2020 £m	30 September 2019 £m
Property	**0.3**	-
Assets classified as held for sale	**0.3**	-

26. Interest-bearing loans and borrowings

	30 September 2020		
	Current liabilities £m	**Non-current liabilities £m**	**Total £m**
Secured bank loans	**0.7**	**176.2**	**176.9**
Unsecured bank loan	**0.1**	**0.1**	**0.2**
Other financial liabilities	**1.8**	**7.5**	**9.3**
Total	**2.6**	**183.8**	**186.4**

	30 September 2019		
	Current liabilities £m	Non-current liabilities £m	Total £m
Secured bank loans	0.2	110.7	110.9
Unsecured bank loan	0.1	0.2	0.3
Other financial liabilities	1.2	6.7	7.9
Total	1.5	117.6	119.1

Secured bank loans

The Group has a Senior Facilities Agreement with a syndicate of banks for a term loan facility of £100.0m (2019: £100.0m) with a maturity date of 15 June 2024 together with a revolving credit facility of £80.0m (2019: £80.0m) with a maturity date of 15 June 2023, of which £78.0m (2019: £78.0m) can be drawn in cash. The £100.0m term loan was fully drawn down on 15 June 2017, raising £96.6m net of expenses, which are being accreted to the consolidated income statement over the loan's term. An additional facility of £2.0m is available for letters of credit. The £100.0m term loan facility has been fully drawn throughout both financial years and is secured by a fixed and floating charge over certain assets of the Group as explained below and bears interest at LIBOR plus a margin between 3.75% and 4.5%, which is dependent upon a margin ratchet based on the ratio of total net debt of the Group to the Group's consolidated earnings before separately disclosed items, interest, tax, depreciation and amortisation (as defined in the Group's Senior Facilities Agreement). The applicable margin for the current financial year was between 3.75% and 4.5% (2019: between 3.75% and 4.50%). The lenders under the Group's Senior Facilities Agreement have the benefit of certain fixed and floating security agreements granted by certain members of the Group over certain assets of the Group (but, for the avoidance of doubt, no security has been granted in favour of these lenders by, or over the shares in or assets of, any member of the Group that is within the "ring fence" arrangement with the UK Civil Aviation Authority).

Of the £78.0m cash element of the revolving credit facility, £13.0m had already been drawn down at the start of the financial year. To protect and increase the Group's liquidity in response to the global pandemic, the remaining £65m was fully drawn down in March 2020. The interest rate applicable for the revolving credit facility is at LIBOR plus a margin between 3.25% and 4.0%, which is dependent upon a margin ratchet based on the ratio of total net debt of the Group to the Group's consolidated earnings before separately disclosed items, interest, tax, depreciation and amortisation (as defined in the Senior Facilities Agreement). A commitment fee of 35% of the applicable margin was payable in the first half of the financial year on the undrawn portion of the revolving credit facility and is disclosed as a facility fee within financial expenses and recognised in the consolidated income statement in the financial year in which it is incurred.

Of the £2.0m additional facility for letters of credit, £1.0m (2019: £1.1m) has been drawn at 30 September 2020. The total undrawn committed facilities of the Group at 30 September 2020 was therefore £1.0m (2019: £65.9m), all of which is by way of letters of credit.

Other financial liabilities

Other financial liabilities represents buy back liabilites arising from a yacht purchase financing scheme.

27. Trade and other payables

	30 September 2020		
	Current liabilities	**Non-current liabilities**	**Total**
	£m	**£m**	**£m**
Trade payables	**21.8**	**-**	**21.8**
Other payables	**9.3**	**-**	**9.3**
Other taxes and social security costs	**5.8**	**-**	**5.8**
Accruals and deferred income	**39.5**	**6.0**	**45.5**
Client money received in advance	**183.1**	**0.5**	**183.6**
Total	**259.5**	**6.5**	**266.0**

	30 September 2019		
	Current liabilities	Non-current liabilities	Total
	£m	£m	£m
Trade payables	23.7	-	23.7
Other payables	12.6	-	12.6
Other taxes and social security costs	3.7	-	3.7
Accruals and deferred income	77.0	5.2	82.2
Client money received in advance	280.2	0.2	280.4
Total	397.2	5.4	402.6

Of the Client money received in advance from contracts with customers held at 30 September 2019 totalling £280.4m, £22.6m was held by the North American Education division, of which £3.6m was recognised within revenues in the current financial year. The remaining £19.0m was de-recognised on disposal of this division. Of the remaining £257.8m of Client monies held at the start of the financial year, £208.5m was recognised in revenues in the financial year ended 30 September 2020. The remainder will either have been repaid or will remain on the balance sheet where customers re-book their holidays for the following year. No revenue was recognised in the financial year relating to performance obligations satisfied in a prior financial year (2019: £nil). In the previous financial year ended 30 September 2019, materially all of the £270.4m of revenue that was included in Client monies received in advance at the beginning of the financial year was recognised.

28. Financial instruments

Treasury risk overview

The Group is exposed to a variety of financial risks:

- Market risk (in respect of foreign currency exchange risk, fuel price risk and interest rate risk);
- Liquidity risk (in respect of the Group's ability to meet its liabilities);
- Credit risk (in respect of recovery of amounts owing to the Group); and
- Capital risk (in respect of its capital structure and cost of capital).

The Group's key financial market risks are in relation to foreign currency rates, oil fuel prices and interest rate risk. Currency risk results from the substantial cross-border element of the Group's trading and arises on sales and purchases, asset purchases and borrowings that are denominated in a currency other than the functional currency of individual Group businesses. The majority of this risk is managed by the use of foreign exchange forward contracts. The Group's exposure to oil fuel prices resulting from cruising operations is managed using forward commodity contracts. The Group is exposed to interest rate risk that arises principally from the Group's floating rate bank loan.

The Executive Leadership Team and Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and for ensuring that the Group has adequate policies, procedures and controls to successfully manage the financial risks that it faces. Transactions are only undertaken to hedge underlying exposures. Financial instruments are not traded, nor are speculative positions taken.

Currency risk management

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of individual Group businesses (which are principally Sterling, US Dollar and the Euro). The two currencies that are considered to have a significant impact on the profitability of the Group are the US Dollar and the Euro. These two exchange rates were used to translate to presentation currency (excluding the impact of hedged transactions) and are illustrative of the rates applied during the current financial periods:

	Year ended 30 September 2020		Year ended 30 September 2019	
£1 GBP equivalent	**Average rate**	**Closing rate**	Average rate	Closing rate
US Dollar	**1.2755**	**1.2918**	1.2355	1.2290
Euro	**1.1392**	**1.1022**	1.1224	1.1275

Each individual Group business hedges its foreign currency exposures arising from tour operating, based upon each business's specific forecasts. At any point in time, the Group's businesses will have hedged the majority of its foreign currency exposure (forecast sales and/or purchases and related asset purchases and/or liabilities) for the coming months of trading, predominantly using forward exchange contracts, most of which have a maturity of less than one year from the reporting date. The Group has elected not to use hedge accounting through reserves such that the fair value movements are recognised in the consolidated income statement.

In addition to exchange rate risk arising from derivative financial instruments, the Group is exposed to exchange risk to the US Dollar and the Euro primarily as a result of intra-group loans that are denominated in a currency other than that of the functional currency of the company that has the loans. The majority of the balance for these loans are structural in their nature and arose on the acquisition of the Travelopia Group in 2017. These loans are considered long term in their nature and as such, management accepts that there may be short term volatility in the value of these loans from year to year. Consequently, these loans are not hedged.

As at 30 September 2020, the Group's net exposure to foreign exchange risk was as follows:

	30 September 2020		30 September 2019	
Net foreign currency financial assets/(liabilities)	**US$m**	**EURm**	US$m	EURm
Cash, intra-group loans and trading balances	**71.2**	**(36.8)**	62.9	(31.9)
Derivative financial instruments	**3.0**	**121.5**	21.4	130.7
Total	**74.2**	**84.7**	84.3	98.8

The Group presents its consolidated financial statements in Sterling and, as a result, is also subject to foreign currency exchange translation risk in respect of the translation of the results and underlying net assets of its foreign operations into Sterling. The Group does not hedge against this risk.

Sensitivity analysis
This sensitivity analysis is for illustrative purposes only and should not be considered a projection of likely future events and gains or losses.

The Group has used a sensitivity analysis technique that measures the estimated change to the consolidated income statement and equity of a 1% (100 basis points) difference in market interest rates or a 10% strengthening or weakening in Sterling against other currencies, from the rates applicable at the balance sheet date, with all other variables remaining constant, these being considered to be reasonably possible changes to interest rates and Sterling rates.

The table below demonstrates the sensitivity to a reasonably possible change of 10% in these two exchange rate rates on the carrying value of financial assets and liabilities.

	30 September 2020		30 September 2019	
Impact of a 10% change	**Increase / (reduction) in profit before tax £m**	**Increase / (reduction) in equity £m**	Increase / (reduction) in profit before tax £m	Increase / (reduction) in equity £m
Strengthening of the US Dollar	**5.9**	**5.9**	7.2	7.2
Weakening of the US Dollar	**(5.4)**	**(5.4)**	(6.1)	(6.1)
Stengthening of the Euro	**8.7**	**8.7**	2.6	2.6
Weakening of the Euro	**(7.3)**	**(7.3)**	(11.1)	(11.1)

This sensitivity analysis assumes:

- changes in market interest rates only affect interest income or expense of variable financial instruments; and
- changes in the fair value of derivative financial instruments (estimated by discounting the future cash flows to net present values) use appropriate market rates prevailing at the year end.

Commodity risk
Fuel commodity risk arises from the Group's operation of polar expedition ships. As at 30 September 2020, the Group has hedged transactions for fuel of 14,900 (2019: 15,100) metric tonnes.

Sensitivity analysis is based on a 10% increase or decrease in fuel prices and the sensitivity will differ correspondingly if the fuel markets are more or less volatile. Under these assumptions, with a 10% increase or decrease in the unit price of fuel, profit before tax would neither materially increase nor decrease.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including cash and cash equivalents) and derivative financial instruments, as well as credit exposures to customers, including outstanding receivables, financial guarantees and committed transactions. Credit risk is managed separately for treasury and operating related credit exposures. There is no material concentration of credit risk with respect to trade and other receivables as the Group has a large number of internationally dispersed customers. Credit risk in respect of cash and cash equivalents is managed by only having material cash balances with highly reputable global banks.

The maximum credit exposure to the carrying amount of financial assets at the balance sheet date is shown in the table below.

	Carrying value 30 September 2020 £m	Carrying value 30 September 2019 £m
Interest-bearing receivables	**1.4**	-
Trade receivables	**9.0**	7.5
Receivables from related parties	**2.0**	1.9
Other receivables	**19.1**	13.8
Short term investments	**-**	2.3
Cash and cash equivalents	**161.9**	299.4
Derivatives - contracts used for hedging	**0.7**	1.9
Total	**194.1**	326.9

The maximum exposure to credit risk for total trade receivables at the balance sheet date and by geographic region as well as their ageing is disclosed in Note 21. Trade and other receivables are shown net of provision for bad and doubtful debts of £1.2m (2019: £1.5m).

Trade and other receivables exclude prepaid accommodation, other prepayments and sales taxes which do not meet the definition of a financial instrument. Prepayments for both flights and hotel accommodation, whilst not meeting the definition of a financial asset under IFRS 9, give rise to a risk similar to credit risk due to the inherent risk of the Group not recovering the prepayment through full delivery of the related goods and services. From time to time, the Group's prepayments may concentrate towards specific counterparties or geographical locations. The carrying amount of prepayments (which are presented within current assets) forms their maximum credit exposure. The credit risk of other receivables disclosed above include accrued revenue, insurance and rebate receivables.

A further analysis of cash balances is provided in Note 24.

Interest rate risk

Details of the Group's financial liabilities are disclosed in Note 26. The Group manages its principal interest rate risk on its £100.0m external bank loan by taking out an interest rate swap for £50.0m (2019: £50.0m) such that the Group receives the variable interest on this notional balance and pays a fixed rate on this of 0.825% (2019: 0.825%) (in addition to the applicable margin). The new interest rate swap commenced on 18 June 2019 and expires on 18 June 2021.

Other financial liabilities primarily represents amounts received from individuals as part of an option to purchase yachts scheme that are repayable in the event that those individuals choose not to exercise an option to purchase a yacht in the future. No interest is payable on these amounts.

The Group's interest and non-interest bearing loans and other financial liabilities, other than trade and other payables, are measured at amortised cost and are analysed as follows:

Financial instrument	Currency	Nominal interest rate	Maturity	Carrying amount 30 September 2020 £m	Carrying amount 30 September 2019 £m
Term loan	Sterling	LIBOR +4.5%	2024	**98.9**	97.9
Revolving credit facility loan	Sterling	LIBOR + 4.0%	2023	**78.0**	13.0
Unsecured bank loan	EUR	2.5%	2024	**0.2**	0.3
Other (non-lease) financial liabilities	EUR, GBP and USD	0%	2020 – 2027	**9.3**	7.9
Total interest-bearing liabilities				**186.4**	119.1

Analysed between:		
Zero rate liabilities	**9.3**	7.9
Variable rate liabilities	**177.1**	111.2
	186.4	119.1

The secured bank loan has been categorised as a variable rate liability, notwithstanding the fact that a separate interest rate swap has been taken out for £50.0m (2019: £50.0m) to fix the interest rate for this element of the loan.

Interest rate risk sensitivity
A 100 basis points increase in interest rates would result in a £1.3m (2019: £0.5m) increase in interest expense (and hence reduction in profit before tax) in the consolidated income statement and equity. A 100 basis points reduction in interest rates is not considered reasonably possible in view of the current economic environment within the UK.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. During the financial year, the Group operated a total of nine zero balancing and non-zero balancing cash pools with HSBC Bank plc and Barclays Bank plc for certain of our UK Group companies and Bank of America Corporation for some of our US Group companies. These pooling arrangements provide the individual businesses with the flexibility over their cash balances, whilst the Group Treasury team ensures that each pool total remains in credit each day in accordance with the pooling requirements.

In a normal year, the Group's liquidity would peak between July and September and have a low between February and March. In the period between the balance sheet and the date of signing these financial statements, this cash low point was March 2021, prior to additional financing being received in April 2021, details of which are provided in Note 39. In response to the global pandemic, the Group has fully drawn on the cash element of its £80.0m revolving credit facility loan in the financial year.

Cash positions, liquidity and available facility headroom are monitored on a weekly basis by Group management. The Group has a £2.0m (2019: £2.0m) facility that is designated for letters of credit, of which £1.0m (2019: £0.9m) is unutilised at 30 September 2020. At 30 September 2020, the Group had total available undrawn committed borrowing facilities of £1.0m (2019: £65.9m) comprising the unutilised letters of credit facility (and in 2019, the unutilised revolving credit facility) set out above.

Up until the summer months of 2020, the Group had three liquidity covenants, two with the Civil Aviation Authority ('CAA') and one on the secured bank loan.

CAA covenants
At each month end, the Group is required to have a minimum of 70% of cash compared to customer deposits. For this test, cash and customer deposit balances include only those within an internally ring-fenced group. Subject to certain permitted payments, cash within the internally ring-fenced group cannot be passed to parent companies without prior agreement of the CAA. The second covenant with the CAA was for the Group to ensure that it met a quarterly gross debt to Adjusted EBITDA covenant, where gross debt is no greater than three times the Adjusted EBITDA of the last twelve months.

For these tests, the relevant figures for net debt and Adjusted EBITDA are defined within the Senior Facilities Agreement. These tests were passed up until March 2020, but could not be passed as at 30 June 2020 or 30 September 2020 as a result of losses incurred due to the global pandemic and the subsequent loss of Adjusted EBITDA. Following consultation with the CAA, as set out in the Section 172 (1) Statement in the Strategic Report, the Directors have taken steps to ensure the cash covenant ratio has been met since it came into effect on 30 January 2021, this being the only CAA covenant the Group is required to meet since this date.

Bank covenant
Up until 31 March 2020, the Group was required to meet a quarterly net debt to Adjusted EBITDA covenant, whereby net debt is no greater than 3.75 times annual Adjusted EBITDA. For this test, the relevant figures for net debt and Adjusted EBITDA are defined within the Senior Facilities Agreement. Any non-compliance with the bank covenant underlying the Group's financing arrangements could, if not waived, constitute an event of default.

As a result of the losses incurred due to the global pandemic, our Lending Banks agreed to a covenant holiday for four financial quarters, from 30 June 2020 to 31 March 2021. In doing so, a new monthly liquidity covenant was agreed, which was that the Group would have a minimum level of cash in the Group. This covenant has been complied with for the remainder of the financial year and subsequently. In June 2021, the Directors have agreed a further one quarter extension to the net debt to Adjusted EBITDA covenant such that the next test is 30 September 2021.

The following are the undiscounted contractual cash flows of financial liabilities, including interest payments calculated using interest rates in force at each balance sheet date:

			Contractual cash flows analysed as payable:			
30 September 2020	**Carrying amount £m**	**Total contractual cash flows £m**	**No later than 1 year £m**	**Later than 1 year and no later than 2 years £m**	**Later than 2 years and no later than 5 years £m**	**Later than 5 years £m**
Secured bank loans &	**176.9**	**215.3**	**7.8**	**8.7**	**198.8**	**-**
Unsecured bank loan	**0.2**	**0.2**	**0.1**	**0.1**	**-**	**-**
Other financial liabilities	**9.3**	**9.3**	**1.8**	**1.0**	**5.1**	**1.4**
Trade and other payables	**69.2**	**69.2**	**67.8**	**-**	**1.4**	**-**
Derivative financial liabilities	**7.5**	**7.5**	**7.2**	**0.3**	**-**	**-**
Total	**263.1**	**301.5**	**84.7**	**10.1**	**205.3**	**1.4**

			Contractual cash flows analysed as payable:			
30 September 2019	Carrying amount £m	Total contractual cash flows £m	No later than 1 year £m	Later than 1 year and no later than 2 years £m	Later than 2 years and no later than 5 years £m	Later than 5 years £m
Secured bank loans	110.9	136.5	5.0	5.0	126.5	-
Unsecured bank loan	0.3	0.3	0.1	0.1	0.1	-
Other financial liabilities	7.9	7.9	1.2	0.9	4.6	1.2
Trade and other payables	109.7	109.7	108.3	-	1.4	-
Derivative financial liabilities	10.4	10.4	10.1	0.3	-	-
Total	239.2	264.8	124.7	6.3	132.6	1.2

The timing reflected in the tables above is based on the first date that the Group can be contractually required to settle each liability. Customer deposts are excluded from this analysis as these would only be paid back to the customer in the event of trip cancellation. Trade and other payables include only those payables that classify as financial liabilities.

Debts falling due for repayment after five years with an aggregate value at 30 September 2020 of £2.7m (2019: £1.2m) comprise other financial liabilities in respect of the Group's Yacht and Boat purchase financing scheme with a principal amount of £2.7m (2019: £1.2m). All principal amounts are payable as bullet payments at maturity.

Analysis of total financial assets and financial liabilities

The tables below set out the Group's classification for each of its financial assets and liabilities.

At 30 September 2020	**Financial assets / (liabilities) at fair value through profit and loss £m**	**Financial assets at amortised cost £m**	**Financial liabilities at amortised cost £m**	**Total carrying value £m**
Assets				
Current:				
Trade and other receivables	-	**28.1**	-	**28.1**
Derivative assets	**0.7**	-	-	**0.7**
Cash and cash equivalents	-	**161.9**	-	**161.9**
Non-current:				
Interest-bearing receivables	-	**1.4**	-	**1.4**
Receivables from related parties	-	**2.0**	-	**2.0**
	0.7	**193.4**	-	**194.1**
Liabilities				
Current:				
Borrowings due within one year	-	-	**(0.8)**	**(0.8)**
Derivative liabilities	**(7.2)**	-	-	**(7.2)**
Other financial liabilities	-	-	**(1.8)**	**(1.8)**
Trade and other payables	-	-	**(67.8)**	**(67.8)**
Non-current:				
Borrowings due after more than one year	-	-	**(176.3)**	**(176.3)**
Derivative liabilities	**(0.3)**	-	-	**(0.3)**
Other financial liabilities	-	-	**(7.5)**	**(7.5)**
Trade and other payables	-	-	**(1.4)**	**(1.4)**
	(7.5)	-	**(255.6)**	**(263.1)**

At 30 September 2019	Financial assets / (liabilities) at fair value through profit and loss £m	Financial assets at amortised cost £m	Financial liabilities at amortised cost £m	Total carrying value £m
Assets				
Current:				
Trade and other receivables	-	15.8	-	15.8
Receivables from related parties	-	1.9	-	1.9
Other short term investments	-	2.3	-	2.3
Derivative assets	2.9	-	-	2.9
Cash and cash equivalents	-	299.4	-	299.4
	2.9	319.4	-	322.3
Liabilities				
Current:				
Borrowings due within one year	-	-	(0.3)	(0.3)
Derivative liabilities	(11.1)	-	-	(11.1)
Trade and other payables	-	-	(109.7)	(109.7)
Other financial liabilities	-	-	(1.2)	(1.2)
Non-current:				
Borrowings due after more than one year	-	-	(110.9)	(110.9)
Derivative liabilities	(0.3)	-	-	(0.3)
Other financial liabilities	-	-	(6.7)	(6.7)
	(11.4)	-	(228.8)	(240.2)

The tables above excludes an analysis of lease liabilities, which is provided in Note 20.

Fair values of financial assets and financial liabilities
The fair values of financial assets and liabilities, together with carrying amounts shown in the consolidated balance sheet at 30 September 2020 are as follows:

	30 September 2020		30 September 2019	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Financial assets other than derivatives:				
Interest-bearing receivables	**1.4**	**1.4**	-	-
Short term investments	**-**	**-**	2.3	2.3
Cash and cash equivalents	**161.9**	**161.9**	299.4	299.4
Trade and other receivables	**28.1**	**28.1**	15.8	15.8
Receivables from related parties	**2.0**	**2.0**	1.9	1.9
Financial liabilities other than derivatives:				
Secured bank loan	**(176.9)**	**(178.0)**	(110.9)	(113.0)
Other financial liabilities	**(9.3)**	**(9.3)**	(7.9)	(7.9)
Trade and other payables	**(69.2)**	**(69.2)**	(109.7)	(109.7)

The fair value of borrowings has been calculating by discounting the expected future cash flows at the appropriate interest rate at the balance sheet date for each class of financial asset and liability. The carrying value of the bank loan is stated net of the debt issuance costs whilst the fair value is calculated using market interest rates.

Fair value measurements
IFRS 7 requires enhanced disclosures about fair value measurements of financial instruments through the use of a three level fair value hierarchy that prioritises the valuation techniques used in fair value calculations.

The levels can be broadly described as follows:

- Level 1 – use of unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – use of observable inputs other than quoted prices included within level 1, such as quoted prices for similar assets or liabilities in active markets.
- Level 3 – use of inputs not based on observable market data but reflecting management's own assumptions about pricing the asset or liability.

The Group's financial assets and liabilities measured at fair value at 30 September 2019 consist of derivative financial instruments. Derivatives are valued in the market using discounted cash flow techniques. These techniques incorporate inputs at level 2, such as interest rates and foreign currency exchange rates. These market inputs are used in the discounted cash flow calculation incorporating the instrument's term, notional amount, volatility, discount rate and taking credit risk into account. As significant inputs to the valuation are observable in external markets, these instruments are categorised as level 2 in the hierarchy. There have been no transfers between any levels in the financial year.

Where fair values differ from the carrying amount in the table above, the measurement of fair values use a discounted cashflow model which incorporate the borrowing rates for both, being a Level 2 input for the bank loan and a level 3 input for the other financial liabilities. There have been no changes to this valuation technique in current financial year. For other financial assets and liabilities, the fair value approximates to the carrying values.

Derivative instruments
At the balance sheet date the fair value of the Group's derivative financial assets and liabilities was as follows:

	30 September 2020		
	Assets fair value £m	**Liabilities fair value £m**	**Total fair value £m**
Foreign exchange forwards	**0.7**	**(6.2)**	**(5.5)**
Commodity swaps	**-**	**(1.0)**	**(1.0)**
Interest rate swap	**-**	**(0.3)**	**(0.3)**
Total	**0.7**	**(7.5)**	**(6.8)**
Analysed as:			
Current	**0.7**	**(7.2)**	**(6.5)**
Non-current	**-**	**(0.3)**	**(0.3)**
Total	**0.7**	**(7.5)**	**(6.8)**

	30 September 2019		
	Assets fair value £m	Liabilities fair value £m	Total fair value £m
Foreign exchange forwards	1.9	(10.8)	(8.9)
Foreign exchange option	1.0	-	1.0
Commodity forwards	-	(0.4)	(0.4)
Interest rate swap	-	(0.2)	(0.2)
Total	2.9	(11.4)	(8.5)
Analysed as:			
Current	2.9	(11.1)	(8.2)
Non-current	-	(0.3)	(0.3)
Total	2.9	(11.4)	(8.5)

A gain in the value of derivatives of £0.5m (2019: loss of £10.7m) has been recognised in financial income within the consolidated income statement in the financial year.

The following table indicates the periods in which the cash flows associated with derivatives are expected to occur. Future cash flows have been estimated based on spot rates and prices at 30 September 2020 and have been shown net for each instrument.

	30 September 2020		30 September 2019	
	No later than 1 year	**Later than 1 year and no later than 2 years**	No later than 1 year	Later than 1 year and no later than 2 years
	£m	**£m**	£m	£m
Derivative financial assets				
Foreign exchange forwards	**0.7**	-	2.0	-
Foreign exchange options	-	-	0.9	-
	0.7	-	2.9	-
Derivative financial liabilities				
Interest rate swap	-	**(0.3)**	-	(0.2)
Foreign exchange forwards	**(6.2)**	-	(13.2)	(1.0)
Commodity swaps	**(1.0)**	-	-	-
	(7.2)	**(0.3)**	(13.2)	(1.2)
Total	**(6.5)**	**(0.3)**	(10.3)	(1.2)

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide for long term capital growth for shareholders. The Group's policy is to maintain a strong capital base that ensures financial stability and provides a solid foundation for ongoing development and growth of business operations and maintain investor, regulatory, lender and supplier confidence.

The Group defines capital as equity (Note 31) and interest-bearing loans and borrowings (Note 26).

The Group has externally imposed requirements for managing capital under both the terms of its loan facility and its ATOL licence, issued by the Civil Aviation Authority. Details of these requirements are set out in the liquidity risk section above.

29. Provisions for liabilities

	Dilapidations £m	**Other £m**	**Total £m**
At 30 September 2018	1.8	2.6	4.4
Additions from acquisitions	-	0.1	0.1
Provided in the financial year	0.5	1.0	1.5
Released unused in the financial year	-	(0.8)	(0.8)
Cash paid	(0.1)	(0.4)	(0.5)
Reclassification	0.8	-	0.8
At 30 September 2019	3.0	2.5	5.5
Provided in the financial year	-	10.6	10.6
Released unused in the financial year	(0.2)	(0.6)	(0.8)
Cash paid	-	(1.7)	(1.7)
Amounts recognised in balance sheet	0.2	-	0.2
Foreign exchange	-	(0.2)	(0.2)
At 30 September 2020	**3.0**	**10.6**	**13.6**

At 30 September 2020	**Dilapidations £m**	**Other £m**	**Total £m**
Analysed as:			
Non-current	**2.2**	**0.2**	**2.4**
Current	**0.8**	**10.4**	**11.2**
	3.0	**10.6**	**13.6**

At 30 September 2019			
Analysed as:			
Non-current	2.8	0.4	3.2
Current	0.2	2.1	2.3
	3.0	2.5	5.5

Dilapidation provisions

Dilapidation provisions represents the cost of restoring operating leased properties back to their original or required condition at the end of the lease term. The classification between non-current and current reflects the contracted lease termination date.

Other

Other provisions relate to outstanding claims, litigation and restructuring provisions that have been entered into in the ordinary course of business, the amount or timing of which is uncertain. The balance includes a charge of £7.4m in respect of repairing leased yachts, for which the Group has a contractual obligation. The Group has a policy to mitigate the financial risk of claims, litigation and disaster through insurance with third party providers.

30. Retirement benefit obligations

Pension schemes

The Group operates pension schemes for employees eligible and wishing to participate in the schemes. These comprise both defined contribution and a defined benefit scheme. Pension obligations vary reflecting the different legal and market conditions in each country of operation. Defined contribution schemes are funded by the payment of contributions to private and state-run organisations, whilst the defined benefit scheme comprises of one funded scheme. Current contributions to the defined contribution schemes are recognised as an expense in the year and, once paid, the Group has no further liability.

Defined benefit pension scheme – Emerald Star

One Group subsidiary, Emerald Star Limited ("Emerald Star"), provides pensions for certain of that Company's permanent current and former employees which are funded through a final salary defined benefit pension scheme (the "Scheme"). The Scheme's assets are held separately from the assets of Emerald Star in separate trustee administered funds. The Scheme was closed to new entrants from 19 August 2002 and its participants are not required to make contributions to the Scheme. Annual contributions are being made by the Company.

Role of the Trustees

The Trustees comprise representatives appointed by Emerald Star. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible in particular for the asset investment policy plus the day-to-day administration of the benefits. They are also responsible for jointly agreeing with the employer the level of contributions.

Funding requirements

The Trustee undertakes actuarial valuations of the Scheme at least every three years. These are conducted by qualified, independent actuaries. The latest actuarial valuation that was fully concluded at the balance sheet date was undertaken as at 1 July 2017. Valuations of the Scheme's assets are made using market-based valuations and the defined benefit obligation is calculated using the Projected Unit Credit Method.

Triennial actuarial valuations are carried out to determine the Company contribution rate required to support and maintain the Scheme in order to adequately fund the Scheme's deficit and provide benefits under the Scheme. The solvency of the Scheme, as determined by the Funding Standard (the statutory minimum funding requirement) is reviewed annually.

Assumptions

Assumptions under IAS 19 (revised) are set using the best estimate with reference to market conditions at the valuation date. The assets of each Scheme have been taken at market value whilst liabilities have been calculated using the following principal financial and demographic assumptions:

Financial assumptions	**30 September 2020 %**	30 September 2019 %
Discount rate	**1.00**	0.80
Pensionable salary increases	**2.00**	2.00
Pension increases	**0.00**	0.00

Demographic assumptions

The mortality assumptions explicitly allow for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining age 65 in 2018 and 2038.

Life expectancy	**30 September 2020 Years**	30 September 2019 Years
Males		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	**21.7**	21.5
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	**24.0**	23.9
Females		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	**24.1**	24.0
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	**26.1**	26.0

Sensitivity analysis

The sensitivity of the Scheme's liabilities to the above key financial and demographic assumptions is illustrated below:

	30 September 2020 £m	30 September 2019 £m
Discount rate		
Decrease in obligation due to increasing discount rate by 0.5%	**(0.3)**	(0.3)
Increase in obligation due to decreasing discount rate by 0.5%	**0.3**	0.3
Pensionable salary inflation		
Increase in obligation due to increasing pensionable salary inflation by 0.5%	**0.1**	0.1
Decrease in obligation due to decreasing pensionable salary inflation by 0.5%	**(0.1)**	(0.1)
Demographic assumptions		
Mortality rate		
Increase in obligation due to increasing life expectancy by 1 year	**0.1**	0.1

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the financial period and may not be representative of the actual change. It is based on the key assumptions while holding all other assumptions constant.

Composition of members
The valuations are based on participant data at each financial year end. The following table summarises the number of members in the Scheme:

	30 September 2020 (number)	30 September 2019 (number)
Active members	**6**	7
Pensioners	**14**	13
Deferred pensions	**27**	27
Total	**47**	47

Analysis of present value of defined benefit obligations

	30 September 2020 £m	30 September 2019 £m
Active members	**1.3**	1.3
Deferred members	**0.9**	0.9
Pensioners	**0.9**	0.9
Total	**3.1**	3.1

Duration
The weighted average duration of the defined benefit obligation is 20 years (2019: 20 years).

Maturity analysis of expected benefit payments
Expected benefit payments based on past and future service for current membership and falling due within the following timescales are as follows:

	30 September 2020 £m	30 September 2019 £m
Within two to five years	**0.2**	0.2
Between five and ten years	**0.4**	0.4
Total	**0.6**	0.6

Risks
The Scheme exposes Emerald Star to a number of financial risks (asset risk, interest rate risk and inflation risk) and demographic risk (mortality risk).

Asset risk
66% (2019: 74%) of the Scheme's assets are invested in equity and absolute return funds which are expected to outperform bonds in the long term, but are likely to increase the volatility of the balance sheet and risk of deficit in the short term. Investing in these asset classes also creates concentration and liquidity risk. Concentration risk is the risk that the performance of a single investment class might negatively impact on the Trustees' ability to meet their objectives. Liquidity risk is the risk of a shortfall in cash relative to the short-term liabilities.

Interest rate risk
The Scheme is subject to interest rate risk, where a decrease in corporate bond yields would increase the value placed on the defined benefit obligation for accounting purposes, resulting in an increased deficit. However, this is partially mitigated by investing 30% (2019: 25%) of the Scheme's assets in government bonds as at 30 September 2020.

Inflation rate risk
A significant proportion of the Scheme's defined benefit obligation is indexed in line with price inflation, specifically inflation in salaries and deferred pensions. This is a risk to the Scheme particularly in relation to the active and deferred category of membership, making up 70% (2019: 72%) of the total liabilities. Inflation rate risk is partially mitigated by the investment of approximately 66% (2019: 74%) of the Scheme's assets in growth assets expected to grow in the long term such as equities.

Mortality risk
The majority of the Schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liability, as shown in the sensitivity table above.

Key accounting results
Emerald Star's net defined benefit obligation is recognised in the balance sheet as follows:

	30 September 2020 £m	30 September 2019 £m
Present value of defined benefit obligations	**(3.1)**	(3.1)
Fair value of plan assets	**3.0**	2.9
Net obligation recognised in the balance sheet	**(0.1)**	(0.2)

A reconciliation of the Company's net defined benefit obligation, analysed between the defined benefit obligation and plan assets is as follows:

	Present value of defined benefit obligation £m	**Fair value of plan assets £m**	**Net defined benefit asset £m**
At 30 September 2018	(2.7)	2.8	0.1
Charges to the income statement			
Remeasurement of the net defined benefit asset:			
Return on plan assets being greater than the discount rate	-	0.1	0.1
Actuarial changes arising from changes in demographic assumptions:	(0.4)	-	(0.4)
Charge to other comprehensive income	(0.4)	0.1	(0.3)
At 30 September 2019	(3.1)	2.9	(0.2)
Actuarial gains arising from changes in financial liability assumptions	-	0.1	0.1
At 30 September 2020	**(3.1)**	**3.0**	**(0.1)**

Assets
The fair value of the Scheme's assets at 30 September 2020 was as follows:

	30 September 2020 £m	30 September 2019 £m
Equities	**1.5**	1.3
Government bonds	**0.9**	0.7
Absolute return funds	**0.5**	0.9
Other	**0.1**	-
Total	**3.0**	2.9

All of the Scheme's assets were valued using a quoted market price in an active market. The Scheme's assets do not include any ordinary shares issued by Emerald Star, nor any property occupied by, or other assets used by that company or the Group.

31. Called up share capital

	30 September 2020 £m	30 September 2019 £m
Fully paid and issued		
25,999,000 (2019: 25,999,000) ordinary shares of £1 each	**26.0**	26.0

32. Business combinations completed in prior year

On 10 May 2019, the Group acquired 100% of the voting shares of Enchanting Travels AG for cash consideration of £14.1m, a privately-owned business, headquartered in Munich, Germany, and specialising in high-end tailormade travel. The total purchase consideration paid and provisional fair value of net assets transferred amounted to £14.1m and £4.3m respectively, such that provisional goodwill arising on acquisition was £9.8m. In the financial year ended 30 September 2020, there have been no adjustments to either the total purchase consideration paid or fair value of assets acquired that were recognised last year.

In addition to the above purchase consideration, a total of $10m is payable in stage payments over a four year period from the date of acquisition. $1m (£0.8m) of this amount has been paid in the financial year. As this consideration is wholly dependent upon future employment of the previous shareholders for a four year period, IFRS 3 (revised) requires this amount to be recognised through the consolidated income statement over this time period, as opposed to its inclusion within the business combination calculation, notwithstanding that this consideration arose solely as a result of the business combination. Transaction costs have been expensed and are included in administative expenses.

33. Movements in liabilities arising from financing activities

Financial liabilities	Lease liabilities £m	Loans £m	Other financial liabilities £m	Total £m
At 30 September 2018	-	97.4	7.1	104.5
Acquired	-	0.3	-	0.3
Cash inflow in the financial year	-	13.0	1.9	14.9
Cash outflow in the financial year	-	-	(1.0)	(1.0)
Non-cash movement	-	0.5	(0.1)	0.4
At 30 September 2019	-	111.2	7.9	119.1
Non-cash movement on adoption of IFRS 16	68.5	-	-	68.5
Cash inflow in the financial year	-	64.9	2.7	67.6
Cash outflow in the financial year	(36.2)	(0.1)	(1.2)	(37.5)
Non-cash movements in the financial year	78.1	1.0	-	79.1
At 30 September 2020	**110.4**	**177.0**	**9.4**	**296.8**

Details of the Group's lease liabilities are provided in Note 20. Details of loans and other financial liabilities are provided in Note 26.

34. Lease commitments (IAS 17)

	30 September 2019		
	Land and property £m	Aircraft, ships, boats, yachts & vehicles £m	Total £m
Total commitments under non-cancellable leases falling due:			
No later than one year	7.2	54.7	61.9
Later than one year and no later than five years	13.7	187.7	201.4
Later than five years	5.5	23.1	28.6
Total	26.4	265.5	291.9

Prior to 1 October 2019, the Group recognised operating leases in line with IAS 17. Leases where the Group does not retain substantially all the risks and rewards of ownership of the asset were classified as operating leases. Operating lease rental payments were recognised as an expense in the income statment on a straight line basis over the lease term. From 1 October 2019, the Group no longer recognises operating leases in line with IAS 17 and instead recognises right-of-use assets and lease liabilities in line with IFRS 16. Further information on lease commitments for the financial year ended 30 September 2020 can be found in Note 20.

35. Capital and other financial commitments

The Group's capital and other financial commitments at 30 September 2020 are as follows:

Total amount payable	**30 September 2020 £m**	30 September 2019 £m
Purchases of property, plant and equipment:		
Aircraft equipment	**10.3**	16.5
Yachts	**42.5**	70.1
Boats	**0.1**	2.1
Total capital commitments	**52.9**	88.7
Aircraft charters and service fees	**19.6**	30.8
Other financial commitments	**-**	4.0
Total financial commitments contracted but not provided for	**72.5**	123.5

Aircraft charters and service fees as at 30 September 2020 of £19.6m comprise committed service fees at 30 September 2020 in respect of the two new leased Airbus A321 aircraft that are due for delivery from November 2020. The comparative figure of £30.8m also included payments for the rental of two previously leased aircraft, for which the contracts did not meet the definition of a lease as at 30 September 2019. As such, these amounts were included in this commitment table to reflect the total non-cancellable commitments due at that time. These two aircraft were returned during the financial year ended 30 September 2020 in accordance with their original lease end date.

36. Subsidiary undertakings at 30 September 2020

The Group's consolidated financial statements include the results of the Company, its direct and all of its indirect subsidiaries included in the table below. All subsidiaries are wholly owned. The Directors consider the book value of the investment in its direct subsidiary to be supported by the higher of underlying net assets and its recoverable value.

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
Adventure Transport Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Alkor Yat Turizm Isletmeciligi AS	Turkey	Tuzla Mahallesi 556, Sokak No: 6/A, Fethiye, Mugla, Turkey	TRY0.10 Ordinary shares
Antigua Charter Services Limited	Antigua and Barbuda	Lower Factory Road, St Johns, Antigua and Barbuda	XCD1.00 Ordinary shares
CHS Tour Services Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Connoisseur Belgium BV	Belgium	Brugse Vaart 48 8620 Nieuwpoort, Belgium	€100.00 Ordinary shares
Crown Blue Line France SAS	France	Le Grand Bassin, 11400 Castlenaudary, France	€16.00 Ordinary shares
Crown Blue Line GmbH	Germany	Theodor-Heuss-Strasse 53-63B, 61118, Bad Vilbel, Germany	€1.00 Ordinary shares
Crown Blue Line Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Crown Holidays Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.50 Ordinary shares
Crown Travel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
EEFC, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Nil par value Common stock
Emerald Star Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	€1.25 Ordinary shares
Enchanting Africa Ltd	Kenya	Isaac Gathanju Close, Off Isaac Gathanju Road, Lavington, PO Box 25716, 00603 Nairobi, Kenya	KES1,000.00 Ordinary shares
Enchanting South America S.A.	Argentina	Av. Las Heras 4081 – 12B, Palermo C1425ATE, Buenos Aires, Argentina	ARS1.0 Ordinary shares
Enchanting Travels AG	Germany	Hohenlinder Strasse 11b, 85622 Feldkirchen, Germany	Nil par value shares
Enchanting Travels Inc	USA	8400, E Prentice Ave, Suite 1500, Greenwood Village, Colorado 80111, USA	US$0.001 Common Shares
Enchanting Travels Pvt. Ltd	India	660/1, Akshaya 2nd Floor, 100 Ft. Rd. Indiranagar, Bangalore 560038 India	INR10.00 Ordinary common stock equity
Events International (Sports Travel) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Events International Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Exodus Travels Australia PTY Ltd	Australia	Kovac Advisory Pty Ltd, Level 3, 50 Market Street, Melbourne VIC 3000.	AUD1.00 Ordinary shares
Exodus Travels Canada Inc	Canada	112 Merton Street, Suite 1, ON M4S 2Z8, Canada	CAD1.00 Common shares
Exodus Travels Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Exodus Travels USA, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Experiential Student Travel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
FCM (BVI) Limited	Virgin Islands, British	c/o Belomont Trust Limited, Belmont Chambers, Tropical Isle Blg, Nibbs Street, Road Town, Tortola, VG1110, BVI	US$100.00 Ordinary shares
Francotel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Gei-Moorings LLC	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Not applicable
Gie Uma	French Polynesia	Marina Apooliti, No 4443 B, Raiatea, RCS Papette	XPF20,000.00 Ordinary shares
Gullivers Group Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Gullivers Sports Travel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
Hayes & Jarvis (Travel) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Headwater Holidays Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Hellenic Sailing Holidays SA	Greece	Marina Zeas, Freattyda, PO Box 18536, Piraeus, Greece	€3.00 Ordinary shares
Hellenic Sailing SA	Greece	Marina Zeas, Freattyda, PO Box 18536, Piraeus, Greece	€30.00 Ordinary shares
Le Boat Limited	Canada	1 Jasper Avenue, Smith Falls, Ontario K7A 4BA, Canada	Nil par value common shares
Le Boat Netherlands BV	Netherlands	Groenlandse kade 9, 3645 BA Vinkeveen, Netherlands	€1.00 Ordinary shares
Le Piolet SCI	France	Les Menuires, 73440, Saint Martin de Belleville, France	€15.2449 Ordinary shares
Mariner Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Nil Par value Common stock
Mariner International (Grenada) Limited	Grenada	Nos. 4 & 6 Lucas Street, St. George's, Grenada	XCD1.00 Ordinary shares
Mariner International (Martinique) SAS	France	Capitainiere du Marin, Bassin Tortue, Le Marin 97290, Martinique	€1.00 Ordinary shares
Mariner International (UK) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.05 Ordinary shares
Mariner International (USA), Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Mariner International Travel (UK) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.05 Ordinary shares
Mariner International Travel, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.0001 Ordinary shares
Mariner Travel GmbH	Germany	Theodor-Heuss-Strasse 53-63B, 61118, Bad Vilbel, Germany	DEM1.00 Ordinary shares
Mariner Travel SARL	France	8, Avenue de Verdun, 06000, Nice, France	€16.00 Ordinary shares
Mariner Yacht Services SA	St Martin	Marina Fort Luis, Baei de Marigot, Marigot, 97150 Saint Martin	€15.00 Ordinary shares
Mariner Yachts (Pty) Limited	South Africa	2nd Floor Marina Centre, Lobby 1, West Quay Road, V&A Waterfront, South Africa	ZAR1.00 Ordinary shares
Maxi Yen SL	Spain	Jose Rover Motta, 27, 07006 Palma de Mallorca, Spain	ESP1,000.00 Ordinary shares
Molay Travel SARL	France	Le Chateau, 14330, Le Molay Littry, France	€1,524.49 Ordinary shares
Molay Travel SCI	France	Le Chateau, 14330, Le Molay Littry, France	€15.2449 Ordinary shares
Moorings Grenadines Limited	Saint Vincent	C/O PO Box 262, Kingstown, St Vincent	Nil par value Ordinary Shares
Moorings Yachting SAS	France	8, Avenue de Verdun, 06000, Nice, France	€15.00 Ordinary shares
Moorings Yat Isletmeciligi Turizm Ve Ticaret Ltd Sti	Turkey	556, Sokak, No:6, Tuzla Mahallesi-Fethiye, Turkey	TRY25.00 Ordinary shares
MyPlanet Holding A/S	Denmark	Silkeborgvej 43,1 8000 , Aarhus C, Denmark	DKK100.00 Ordinary shares
MyPlanet International A/S	Denmark	Silkeborgvej 43,1 8000 , Aarhus C, Denmark	DKK1,000.00 Ordinary shares
MyPlanet Sweden AB	Sweden	Kastellgatan 17, 413 07, Goteborg, Sweden	SEK100.00 Ordinary shares
Platinum Event Travel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Porter and Haylett Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Prestige Boating Holidays Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	€1.25 Ordinary shares
Quark Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock shares
SAS The Moorings	French Polynesia	Uturoa, Raiatea, BP 165, French Polynesia	XPF2,000.00 Ordinary shares
Sawadee Amsterdam B.V.	Netherlands	Prins Bernhardplein 200, 1097 JB Amsterdam, AZ Amsterdam, The Netherlands	€10.00 Ordinary shares
Ski Bound Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Skibound France SARL	France	Espace Val d'Arly, 95 Rue Derobert, 73400, Ugine, France	€15.2449 Ordinary shares
Specialist Holiday Group Ireland Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	€1.25 Ordinary shares
Specialist Holidays (Travel) Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
Sunsail (Antigua) Limited	Antigua and Barbuda	9 Factory Road, St John's, Antigua	XCD1.00 Ordinary shares
Sunsail (Australia) Pty Ltd	Australia	Level 8, 234 George Street, Sydney NSW 2000, Australia	AUD1.00 Ordinary shares
Sunsail (Seychelles) Limited	*Seychelles*	KPMG Pool & Patel, La Rosiere, PO Box 117, Victoria, Mahe, Seychelles	INR100.00 Ordinary shares
Sunsail (Thailand) Co. Ltd	Thailand	Phuket Boat Lagoon, 20/5 Moo 2, Thepkrasattri Road, Koh Kaew, Phuket, 83200, Thailand	THB100.00 Ordinary B shares and THB100.00 Preference A shares
Sunsail Adroatic d.o.o.	Croatia	Motarska 99, Split, 21000, Croatia	HRK38,999,700.00 Ordinary shares
Sunsail Hellas MEPE	Greece	Apollonos 12, P.Faliro 17561, Athens, Greece	€30.00 Ordinary shares
Sunsail SARL	France	Le Grand Bassin, 11400 Castlenaudary, France	€15.00 Ordinary shares
Sunsail Spain S.L.	Spain	Marine Naviera Balear, Paseo Maritimo Number 4 , 07014 Palma de Mallorca, Spain	€1.00 Ordinary shares
Sunsail Worldwide Sailing (St. Vincent) Limited	Saint Vincent	The Lagoon Marina & Hotel, Ratho Mill, Box 133, Kingstown, St Vincent	Nil par value Common shares
Sunsail Worldwide Sailing Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom.	£0.05 Ordinary shares
TCO USA Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
TCS & Starquest Expeditions, Inc	United States	505 Union Avenue SE, Suite 120, Olympia WA 98501, United States	Nil Par Value Common stock
TCS Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
The Moorings (Bahamas) Ltd	Bahamas	Trinity Place Annex, Corner Frederick and Shirley streets, PO Box N-4805, Nassau, Bahamas	BSD1.00 Ordinary shares
The Moorings (Seychelles) Ltd	Seychelles	1st Floor, Allied Plaza, Francis Rachel Street, P.O. Box 1289 Victoria, Mahé, Seychelles	SCR100.00 Ordinary shares
The Moorings (St Lucia) Ltd	Saint Lucia	Pointe Seraphine, Castries, Saint Lucia	US$1.00 Ordinary shares
The Moorings Belize Limited	Belize	91 North Front Street, Belize City, Belize	BZD10.00 Ordinary shares
The Moorings d.o.o.	Croatia	Mostarska 99, Split, 21 000, Croatia	HRK1.00 Ordinary shares
The Moorings Limited	Virgin Islands, British	Belmont Chambers, P.O. Box 3443, Road Town, Tortola, Virgin Islands, British	US$1.00 Ordinary shares
The Moorings Sailing Holidays Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
TIM Bidco 1 Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
TIM Bidco II Corp	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.10 Common stock
TIM Holdco Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
TIM Midco Limited*	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travcoa Corporation	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Travel Class Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travel Services Europe Spain SL	Spain	Ronda Sant Antoni 36-38, 3º-2ª, 08001, Barcelona, Spain	€1.00 Ordinary shares
Travelbound European Tours Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelmood Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia Adventure Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia Central Operations Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia Contract Services Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Travelopia France SARL	France	Espace Val d'Arly, 95 Rue Derobert, 73400, Ugine, France	€20.00 Ordinary shares
Travelopia GmbH	Austria	Bösendorferstraße 2/15, 1010, Vienna, Austria	Quota Nil Par Value shares
Travelopia Holdings (Australia) Pty Limited	Australia	Level 8, 234 George Street, Sydney NSW 2000, Australia	AUD1.00 Ordinary shares
Travelopia Holdings Limited	*United Kingdom*	*Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom*	*£1.00 Ordinary shares*

Name of Undertaking	Country of incorporation	Registered address	Share class (100% owned unless stated otherwise)
Travelopia USA Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Trek America Travel Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Trek Investco Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£0.01 Ordinary shares
TTSS Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
TTSS Transportation Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
Versun Yachts NSA	Greece	Marina Zeas, Freattyda, PO Box 18536, Piraeus, Greece	€30.00 Ordinary shares
Vinson Expeditions LLC	Marshall Islands	The Trust Company of the Marshall Islands Inc, Trust Company Complex, Ajeltake Island, Ajeltake Road, Majuro, Marshall Islands, MH 96960, Marshall Islands	Not applicable
World Challenge Expeditions (HK) Limited	Hong Kong	Unit 1601, 16/F Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong, Hong Kong	HKD1.00 Ordinary shares
World Challenge Expeditions Canada Limited	Canada	112 Merton Street, Suite 1 ON M4S 2Z8, Canada	Nil Par Value shares
World Challenge Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
World Challenge Expeditions Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD, United Kingdom	£1.00 Ordinary shares
World Challenge Expeditions Pty Ltd	Australia	Level 5, 163 Eastern Road, South Melbourne, VIC 3205, Australia	AUD1.00 Ordinary shares
World Challenge NZ Limited	New Zealand	43-47 Hanson Street, Mt Cook, Wellington, New Zealand	NZD1.00 Ordinary shares
Yachts International Limited	Virgin Islands, British	Belmont Chambers, P.O. Box 3443, Road Town, Tortola, Virgin Islands, British	US$0.10 Ordinary shares
Yil, LLC	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	Not applicable
Your Man Tours, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock
Zegrahm Expeditions, Inc	United States	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County DE, United States	US$0.01 Common stock

* Direct shareholding of the Company

37. Audit exemption provided to certain UK Group subsidiaries

The Company is providing certain wholly owned UK subsidiaries (as disclosed in Note 36) and which are included within these Group consolidated financial statements) with guarantees of their respective debts in the form prescribed by Section 479(C) of the Companies Act 2006 ('the Act') such that they can claim exemption from requiring an audit in accordance with Section 479(A) of the Act. These guarantees cover all of the outstanding actual and contingent liabilities of these companies at 30 September 2020:

Subsidiary	Company number
Adventure Transport Limited	05742973
CHS Tour Services Limited	03488873
Crown Blue Line Limited	00946385
Crown Holidays Limited	01734244
Events International (Sports Travel) Limited	03258979
Events International Limited	01956764
Headwater Holidays Limited	04484400
Mariner International (UK) Limited	02746852
Platinum Event Travel Limited	04278759
Porter and Haylett Limited	00614180
The Moorings Sailing Holidays Limited	01286826
Tim Holdco Limited	10605586
Travelopia Adventure Limited	01893401
Travelopia Holdings Limited	05934241
Trek America Travel Limited	04803471
Trek Investco Limited	03769224
TTSS Transportation Limited	04053188

38. Related party transactions

Apart from with its own subsidiaries which are included in the consolidated financial statements, the Group, in carrying out its ordinary business activities, maintained direct and indirect relationships with the ultimate controlling party, KKR & Co. Inc, and related parties of KKR & Co. Inc. During the financial year, management fees totalling £0.8m (2019: £1.0m) were charged by KKR & Co, Inc and have been recognised in the consolidated income statement.

39. Post balance sheet events

Since the balance sheet and up until the date of signing these financial statements, the Group's businesses have continued to see very low levels of operations as a result of continuing global travel restrictions. The Group has raised the following additional financing to provide additional liquidity to the Group:

- the disposal of two ski hotels in France in December 2020, raising gross proceeds of €9.2m;
- a ground rent transaction of our owned property, Condover Hall in March 2021, raising proceeds of £5.1m.
- external inventory financing for the purchasing of Yachts in March 2021, raising an initial $8.1m; and
- sale and leaseback against part of the Group's owned fleet of Boats in France in April 2021, raising €16.9m.

Additionally, TCS has agreed a sub-let of one of its two leased planes to offset the associated lease costs.

Quark Expeditions took delivery of its new polar expedition ship, the Ultramarine, on 1 April 2021. The initial base purchase price was €106.1m and has been largely financed by new debt provided by the China Construction Bank Limited.

40. Contingent liabilities

A number of the Group's companies have entered into a cross guarantee with Barclays Bank PLC in respect of the Group's overdraft facility for a number of its UK Sterling denominated bank accounts. As at 30 September 2020, the total liability for which these Group companies are a guarantor to amounted to £23.5m (2019: £4.2m).

41. Ultimate parent company and controlling party

The Directors consider the ultimate parent company and controlling party of the Company to be KKR & Co. Inc, on behalf of the funds under its management. The immediate parent company is Tim Topco Limited, a company incorporated in the Cayman Islands.

	Note	30 September 2020 £m	30 September 2019 £m
Non-current assets			
Investments in subsidiary undertakings	B	**227.8**	227.8
		227.8	227.8
Current assets			
Cash and cash equivalents		**14.3**	14.2
		14.3	14.2
Total assets		**242.1**	242.0
Net assets		**242.1**	242.0
Equity			
Called up share capital	C	**26.0**	26.0
Share premium account		**216.0**	216.0
Retained earnings		**0.1**	-
Total equity attributable to equity holders of the parent		**242.1**	242.0

The profit after tax for the financial year was £0.1m (2019: less than £0.1m). The notes on pages 85 to 86 form part of the Company's financial statements.

The financial statements on pages 83 to 86 were approved by the Board of Directors on 29 June 2021 and were signed on its behalf by:

J Metzner
Director

Company Number: 10604770

Company statement of changes in equity at 30 September 2020

	Called up share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
At 30 September 2018	26.0	216.0	-	242.0
Total comprehensive result for the financial period	-	-	-	-
At 30 September 2019	26.0	216.0	-	242.0
Total comprehensive result for the financial year	-	-	0.1	0.1
At 30 September 2020	**26.0**	**216.0**	**0.1**	**242.1**

The Company is the parent company of the Travelopia group of companies (the 'Group') and changed its name from TIM Intermediateco Limited to Travelopia Group Holdings Limited on 30 April 2020.

A. Accounting policies

Basis of preparation
The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's financial statements. The Company's financial statements are presented in the Company's presentational currency of Sterling, rounded to the nearest one hundred thousand pounds.

Accounting convention
The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards and under the historical cost convention. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has taken advantage of section 408 of the Companies Act 2006 not to publish a separate Income Statement and related notes for the Company. The profit after tax for the financial year of £0.1m (2019: less than £0.1m) is included within the Company Statement of Changes in Equity.

The Company has elected to prepare its parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In the parent company financial statements, the Company has applied the exemptions available under FRS 101 in respect of the Cash flow statement disclosures that would have otherwise been applicable.

Investments
Investments in subsidiaries are stated at cost less provision for impairment.

Share capital and share premium account
Ordinary shares are classified as equity within shareholders' funds. Cash received in excess of the nominal value of the shares issued is recognised as share premium.

B. Critical accounting estimates and judgments

The preparation of financial statements in conformity with FRS 101 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The area involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year is disclosed as follows:

Investments in subsidiary undertakings
Judgement is required in the assessment of the carrying amount of the investment in the Company's direct undertakings. Estimation of the recoverable amount of the investment requires the Company to assess future cash flows projected to be generated by the subsidiary (and its subsidiaries), which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for the products of the subsidiaries of that entity.

C. Investments

	Shares in subsidiaries £m
Cost	
At 30 September 2019	227.8
At 30 September 2020	**227.8**

There have been no additions, disposals or impairments during the current and preceding financial year.

D. Called up share capital

	30 September 2020 £m	30 September 2019 £m
Issued and fully paid		
25,999,000 (2019: 25,999,000) ordinary shares of £1 each	**26.0**	26.0