COMPANY REGISTRATION NUMBER 04853546

Travel Republic Ltd

Annual Report and Financial Statements

For the year ended 31 March 2023

Travel Republic Ltd

Annual Report and Financial Statements

Year ended 31 March 2023

Contents

Travel Republic Ltd

Company Information and Professional Advisors

Registered Office	Clarendon House 147 London Road Kingston Upon Thames Surrey KT2 6NH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 1 Hardman Square Manchester M3 3EB
Bankers	Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF
Registered Number	04853546

Strategic Report for the year ended 31 March 2023

The Directors present their strategic report for the year ended 31 March 2023.

Review of the business

The principal activity of Travel Republic Ltd (the 'Company') during the year was that of an online travel agent.

Travel Republic Ltd is owned wholly by dnata Travel Holdings UK Limited, whose principal activity is that of a holding company. The ultimate parent company is the Investment Corporation of Dubai, a company incorporated in the United Arab Emirates under an Emiri decree.

The results for the Company show a loss for the financial year of £14.0m (2022: loss £19.9m). Revenues increased to £145.3m (2022: £23.9m) and loss before taxation for the year improved to a loss of £13.9m (2022: loss £20.1m). The much publicised cost of living crisis and Russia's invasion of Ukraine have also dampened consumer confidence, putting further strain on the industry. However, although the Company continues to be loss making, we have seen huge revenue and margin growth as a result of the return of customer demand. Management is confident the the rightsizing measures taken over the past three years and the continued forecasted growth will lead to a return to profitability even against these headwinds. The Company has continued to benefit from its parent company, dnata Travel Holdings UK Limited, drawing down on parent company funding to weather the recovery. As at 31 March 2023, the Company has utilised £91.9m of this funding, which is included in Creditors falling due within one year. At year end, the Company had net liabilities of £65.7m (2022: net liabilities £51.7m).

Business environment

There are two distinct segments in the UK leisure and travel market: direct suppliers and travel intermediaries. Direct suppliers are the airlines, hotels and cruise companies that sell directly to the customer. The Company operates in the travel intermediary segment, made up of travel agents and tour operators.

We have seen huge growth in the year due to increased demand in a post-covid world. This is in line with ABTA's outlook that demand is high among consumers who are seeking to book winter holidays along with forward planning for next year's summer plans. The sheer increase in demand presents its own challenges around recruiting an appropriate level of staff to sustain consumers' demand.

Management are committed to growing the cost base in an efficient manner to support increased demand, whilst continuing to also invest in keeping booking and financial systems up to date. The strategy remains to focus on the customer and deliver memorable travel experiences in order to maximise sales through the brand's loyal customer base whilst the market continues to recover.

Strategy and future outlook

The strategic objectives are focused on the following key drivers;

- Putting the customer at the heart of all decisions (eg. refunds, amendments)
- Focus on cash flow to ensure the Company continues to emerge stronger from the pandemic
- Growing back the organisation in as efficient a manner as possible to support increased demand whilst maintaining levels of profitability
- Robust product innovation and selection
- Development of website to enhance customer experience and improve user journey
- Optimisation of marketing investment to drive traffic growth
- Continuous improvement in website conversion levels
- Customer service transformation
- Data driven decision making
- Contribute towards a more sustainable travel industry

The above drivers will assist in delivering improved market share, product development and efficiencies to deliver improvements in overall profitability.

Principal risks and uncertainties

The Directors have identified a number of risks and uncertainties that could potentially damage the current business model and future growth opportunities of the Company. They are listed below with their respective mitigation strategies.

Risk/Uncertainty	Mitigation
Attracting, recruiting and retaining high calibre staff back into the industry after many of them left during and after the pandemic. Missed sales due to insufficient staffing levels as we are unable to meet customer demand with current operations teams.	Look at measures including pay, benefits and work/life balance to deliver an attractive proposition for existing employees as well as new employees joining the workforce.
Loss of, or difficulty in, replacing senior talent	Maintain its people and culture programme including succession planning, professional development and robust recruitment process.
Any significant damage to the UK group's reputation or brands, including but not limited to experiences in delayed refunds within the travel industry as a whole.	Ensure it operates fairly and equitably to both its customers and suppliers.
Pace of technological advancement brings new entrants into the market with state of the art technology further enhancing the online travel agent customer offering.	Ensure it delivers competitively-priced products to the market through its brand and is at the forefront of adopting developments in selling and fulfilment technology.

Principal risks and uncertainties *(continued)*

Risk/Uncertainty	Mitigation
Disruption to information technology systems or infrastructure, premises or business processes resulting in business interruption and customer data breach risk.	Ensure it delivers competitively-priced products to the market through its brand and is at the forefront of adopting developments in selling and fulfilment technology.
Natural catastrophe including closure of airspace or another global pandemic.	Continually monitor destinations that are sold and where necessary, take advice from both regulators and the government in regard to risk assessment.
Political unrest or terrorism in different areas of the world.	
Performance failure by outsourced partners and third party suppliers.	Continually monitor financial health of key suppliers.
Changes to the current regulatory environment.	Keep abreast of government and regulatory mandates and plan appropriately. Continue to work with partners and suppliers to bring sustainability initiatives to the forefront.
Environmental risks and regulations.	

Key Performance Indicators ("KPIs")

The travel market is dynamic and the Directors track and monitor business performance through the use of a range of KPIs.

An important KPI used to monitor performance is gross profit as a % of revenue. Gross profit as a % of revenue was 10.8% for 2023 (2022: 23.4%).

Customer Net Promoter Scores (NPS) and repeat customer percentages are key performance indicators that are monitored continually. Due to their commercially sensitive nature, figures for these KPIs are not disclosed in this report.

Strategic Report for the year ended 31 March 2023 (continued)

Directors' Section 172(1) Statement

The Directors of the Company attend the wider dnata Travel UK Board. The Board acknowledges its responsibility under section 172(1) of the Companies Act 2006 and below sets out the key processes and considerations that demonstrate how the Directors promote the success of the Company.

The below statements sets out the requirements of the Act, section 172(1), and note how the Directors discharge their duties.

The Board meet monthly with papers circulated in advance to allow the Directors to fully understand the performance and position of the dnata group, alongside matters arising for decision. Each decision made by the Directors is supported by papers which analyse the possible outcomes so that an educated decision can be made based upon the likely impact on the dnata group.

Factors 1 to 6 below, are all taken into account during the decision making process.

1. Long term consequences

Decisions required to be made by the Board are presented in the form of business cases, which show the cost/benefit analysis, cash flows and any non-financial considerations of each proposal. The group has a 3-year Medium Term Plan (MTP), which is reviewed regularly to benchmark performance and achievements against. Strategy is reviewed in detail each year at multiple Board Strategy Away Days. Any decisions signed off by the Board are added into the Medium Term Plan/budget targets, and monitored accordingly.

2. Employees

The Company sees its employees as its greatest assets, and engages consistently with them through a variety of mediums. More details of how the Company informs and interacts with its employees can be seen in the Directors Report on pages 10.

3. Suppliers, customers and others

The customer is central to the operations of the Company. Customer Net Promoter Scores (NPS) and repeat customer percentages are key performance indicators that are monitored continually. Feedback is collected and actions undertaken to improve these at all times. The trade agents are also vitally important to the continued success of the Company. The sales teams constantly strive to keep high levels of engagement with these agents.

A good relationship with our suppliers is also key to the ongoing success of our Company. The Company benefits from dnata Travel's wider air and ground product purchasing and procurement teams, who maintain very high levels of engagement with suppliers via face-to-face meetings, phone calls, and trade shows.

Directors' Section 172(1) Statement *(continued)*

4. Community and the environment

The Company is keen to align its business strategy with broader sustainability issues. This means that the business works with its supply chain partners and customers to achieve tangible and long-lasting benefits to the environment and communities within which the Company operates.

The Company has a relatively low carbon footprint, but acknowledges improvements can always be made, and the Directors encourage video calling rather than air travel. The Company also engages with local communities and charities through it's dnata4good initiatives.

5. Maintaining a reputation for high standards of business conduct

The Directors are committed to high standards of business governance and conduct. Where there is a need to seek advice on particular issues, the Board will seek advice from its legal and business advisors, to ensure the consideration of business conduct, and its reputation maintained.

6. Fairness between members of the company

The Company is owned by a sole shareholder, dnata Travel Holdings UK Limited, which is in turn owned by dnata. The Directors of the Company are ultimately employees of dnata, and as such the Board feels that the Directors are fully aligned with the shareholders.

Approved by the Board on 29th June 2023 and signed on its behalf by:

Mr J W Gubbay
Director

Travel Republic Ltd

Directors' Report for the year ended 31 March 2023

The Directors present their report and the audited financial statements of the company for the year ended 31 March 2023.

Future Developments

As mentioned in the strategic report on page 5, future developments are planned by the Company to focus on the customer and deliver memorable travel experiences in order to maximise sales through the brand's loyal customer base.

Dividends

No dividends were declared or paid in the year ended 31 March 2023. None have been declared or paid after 31 March 2023 up to the date of signing. The Directors do not recommend a dividend be paid for this financial year.

Political Donations and Political Expenditure

During the year the company made no charitable or political donations.

Financial Instruments

Objectives and policies

As detailed in the notes to the financial statements, the Company seeks to manage its risk in relation to currency movements by forward buying the currency to match the known future foreign exchange requirements as the relevant customer bookings are received.

Price risk, credit risk, liquidity risk and cash flow risk

In normal times, there is minimal liquidity, cash flow and credit risk to the company as customers pay in advance of their holidays and it is normal for the Company to carry significant amounts of cash. However, as the company continues to recover from COVID-19 cash flows, the Company has utilised a parent company loan, in order to maintain cash reserves during this time. The risks in relation to price variance are minimised by having a wide range of providers and products on offer.

Overseas Branches

The company has no overseas branches at the reporting date, nor were any in existence during the year.

Directors' Report for the year ended 31 March 2023 (continued)

Directors

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

The Board of Directors	Mr J C Bevan	
	Mr J W Gubbay	
	Mrs A E Pollard	
	Mr J L Russell	(Resigned 31st Jan 2023)
	Mrs M C Bromley	(Appointed 1st Feb 2023)

Qualifying Third Party

During the year and up to the date of approving the financial statements, the Directors had a qualifying third party indemnity provision in place.

Going concern

The company meets its day-to-day working capital requirements through its cash reserves and intercompany borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products. A letter of support has been obtained from dnata, intermediate parent company, who have confirmed they will continue to support the company and provide any further intercompany financing, if required, for a period of at least 12 months from the date of approval of the financial statements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approving these financial statements. The company therefore, continues to adopt the going concern basis in preparing its financial statements.

Research and development

The Company continues to develop innovative software to enable the bookings and marketing analysis systems to maintain and enhance the company's position in the marketplace. Attributable costs of £5.2m (2022: £1.4m) were capitalised as intangible assets in the year.

Post Balance Sheet event

There have been no material post Balance Sheet events after 31 March 2023.

Employees

Communication

It is the Company's policy to ensure that its employees are kept fully informed on matters which affect them in order to provide the necessary understanding of the Company's business aims and performance. The Company's personnel policies ensure its employees are communicated with on a regular basis and on a wide range of issues. Employees' views are sought via Town Halls, open question sessions, so that these can be taken into account in making decisions that affect their interests.

Training and development

The importance of staff training and development as a key to business success is recognised at all levels. The Company provides training both internally and externally related to specific business requirements, in order to improve business efficiency and to enable the Company to comply fully with legislation and local regulations.

Human resources

The Company is committed to equality of opportunity and does not discriminate between employees or potential employees on any grounds and the requirements of all relevant employment legislation are fully recognised. Due consideration is given to recruitment, promotion, training and working conditions of all staff.

Employment of disabled persons

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Matters disclosed elsewhere within the financial statements

Required disclosures in relation to the Company's KPIs on page 6, business review on page 4, principal risks and uncertainties on pages 5 and 6 and future developments on page 5 have been included within the Company's Strategic Report on pages 4 to 8 of the financial statements.

Statement of engagement with suppliers, customers and others in a business relation with the company

The Directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Independent auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Travel Republic Ltd

Directors' Report for the year ended 31 March 2023 (continued)

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 29th June 2023 and signed on its behalf by:

Mr J W Gubbay
Director

Independent auditors' report to the members of Travel Republic Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Travel Republic Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2023; the Income Statement and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

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 year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' 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 auditors' 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to ABTA and ATOL regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate results, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries where applicable, in particular any journal entries posted with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Daniel Wilbourn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
29 June 2023

Travel Republic Ltd

Financial Statements for the year ended 31 March 2023

Income Statement for the year ended 31 March 2023

	Note	2023 £000	2022 £000
Revenue	4	**145,333**	23,879
Cost of sales		**(129,582)**	(18,288)
Gross profit		**15,751**	5,591
Distribution Costs		**(12,072)**	(5,354)
Administrative expenses		**(15,803)**	(17,183)
Other operating income	5	**1,762**	375
Operating loss	6	**(10,362)**	(16,571)
Finance income	9	**43**	-
Finance costs	9	**(3,611)**	(3,501)
Loss before taxation		**(13,930)**	(20,072)
Income tax (expense)/credit	10	**(39)**	158
Loss for the financial year		**(13,969)**	(19,914)

All of the activities of the Company are classed as continuing.

There is no (2022: nil) other comprehensive income or expenses other than those included above therefore no separate statement of comprehensive income has been presented.

The financial statements on page 17 - 44 were approved by the board of Directors on 29th June 2023 and signed on its behalf by:

Mr J W Gubbay
Director

Statement of Financial Position as at 31 March 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	11	**5,917**	2,233
Property, plant and equipment	12	**617**	802
Right-of-use assets	13	**1,036**	1,279
		7,570	4,314
Current Assets			
Inventories	14	**5**	173
Trade and other receivables	15	**85,203**	73,014
Restricted cash		**25,877**	19,155
Cash and cash equivalents		**1,553**	8,851
		112,638	101,193
Creditors: amounts falling due within one year	16	**(183,592)**	(153,625)
Net current liabilities		**(70,954)**	(52,432)
Total assets less current liabilities		(63,384)	(48,118)
Creditors: amounts falling due after more than one year	17	**(1,785)**	(2,423)
Provisions for liabilities	18	**(529)**	(1,188)
Net liabilities		**(65,698)**	(51,729)
Equity			
Called up share capital	20	**41**	41
Share premium account		**59**	59
Accumulated losses		**(65,798)**	(51,829)
Total shareholders' deficit		**(65,698)**	(51,729)

The financial statements on page 17 - 44 were approved by the board of Directors on 29th June 2023 and signed on its behalf by:

Mr J W Gubbay
Director

Statement of changes in equity for the year ended 31 March 2023

	Called up share capital £000	Share premium Account £000	Accumulated losses £000	Total £000
Balance as at 1 April 2021	41	59	(31,915)	(31,815)
Loss and total comprehensive expense for the financial year	-	-	(19,914)	(19,914)
Balance as at 31 March 2022 and 1 April 2022	41	59	(51,829)	(51,729)
Loss and total comprehensive expense for the financial year	-	-	(13,969)	(13,969)
Balance as at 31 March 2023	**41**	**59**	**(65,798)**	**(65,698)**

Notes to the Financial Statements for the year ended 31 March 2023

1. General information

The Company is a private company limited by share capital incorporated in the United Kingdom and domiciled in the United Kingdom. The company is registered in England.

The address of its registered office is:

Clarendon House
147 London Road
Kingston Upon Thames
Surrey
KT2 6NH

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements of Travel Republic Ltd have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.1.1. Going concern

The company meets its day-to-day working capital requirements through its cash reserves and intercompany borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products. A post Covid-19 reforecasting exercise continues to be assessed by the Directors, identifying potential shortfalls in working capital, and therefore requiring access to further intercompany borrowing. Additional intercompany borrowing is requested from the Group by immediate parent company dnata Travel Holdings UK Limited. This will be utilised to address any potential shortfalls in working capital across all entities.

Management continues to assess forecasts and projections, taking account of reasonably possible changes in trading performance across all entities arising due to the continued unpredictability within the travel industry. These forecasts show an upward trajectory towards pre-pandemic levels over the next 6 – 12 months.

2. Significant accounting policies *(continued)*

2.1.1. Going concern (continued)

A letter of support has been obtained from dnata, intermediate parent company, who have confirmed they will continue to support the company and provide any further intercompany financing, if required, for a period of at least 12 months from the date of approval of the financial statements. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approving these financial statements. The company therefore, continues to adopt the going concern basis in preparing its financial statements.

2.1.2. New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2023 that have a material impact on the company's financial statements.

2.1.3. Summary of disclosure exemptions

The following exemptions from requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

• IFRS 7, 'Financial Instruments: Disclosures'

• Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'
• Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information
(i) paragraph 79(a)(iv) of IAS1;

(ii) paragraph 73(e) of IAS 16 Property, plant and equipment;

(iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the year)

• The following paragraphs of IAS 1, 'Presentation of financial statements':
(i) 10(d), (statement of cash flows)
(ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applied an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassified items in its financial statements),
(iii) 16 (statement of compliance with all IFRS),
(iv) 38A (requirement for minimum of two primary statements, including cash flow statements),
(v) 38B-D (additional comparative information),
(vi) 40A-D (requirements for a third statements of financial position)
(vii) 111 (cash flow statement information), and
(viii) 134-136 (capital management disclosures)

• IAS 7, 'Statement of cash flows'

2. Significant accounting policies *(continued)*

2.1.3. Summary of disclosure exemptions (continued)

• Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

• Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

• The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2.2. Consolidation

The company is a wholly owned subsidiary of dnata, incorporated in the UAE and is included in the consolidated financial statement of dnata which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of the Companies Act 2006.

2.3. Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The functional and presentational currency is GBP and the financial statements have been rounded to the nearest thousand pound.

2.4. Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2. Significant accounting policies *(continued)*

Depreciation

Depreciation is charged so as to write off the cost of assets, less its estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over their estimated useful lives, as follows:

Asset class	*Depreciation method and rate*
Leasehold improvements	Over lease term
Fixtures, fitting and equipment	20% - 33% straight line

2.5. Right-of-Use Assets (under IFRS16)

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs.

Depreciation

Depreciation is charged so as to write off the cost of assets, less its estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over their estimated useful lives, as follows:

Asset class	*Depreciation method and rate*
Property	Over lease term

2.6. Intangible assets

Research and development

Capitalised development costs, mainly on computer software, are recorded as intangible assets and amortised from the point of capitalisation.

Amortisation of intangible assets

Amortisation is charged so as to write off the cost of assets, less its estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over their estimated useful lives.

Asset class	*Amortisation method and rate*
Computer Software - Front-End / App Developments. User Interface / User Experience	33% straight line
Mid-level, hybrid front/back-end developments	25% straight line
Infrastructure / Platforms and back-end developments / Major framework rebuilds (Front/Mid/Back)	20% straight line

2. Significant accounting policies *(continued)*

Impairment of intangible Assets

A provision for the impairment of intangible assets is established when there is objective evidence that based on technological advancement or economic utilisation, there is a material risk to the carrying value of those assets. An impairment against the residual value is charged to the income statement in the period to which it relates.

2.7. Derivatives and hedging

The Company uses derivative financial instruments of forward foreign currency contracts to hedge its risks associated with foreign currency fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each year end. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any movement in derivatives is included within the income statement as administrative expenses.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

2.8. Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are classified as current assets when there is contractual right to the consideration linked to the relevant bookings which is upon date of departure.

2.9. Cash and cash equivalents & restricted cash

Cash is represented by cash in hand and deposits with financial institutions without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Significant accounting policies *(continued)*

Restricted cash is not freely available for the Company to spend or invest, as it is held for a specific purpose. On 1 December 2021, the Company in consultation with the Civil Aviation Authority (CAA), agreed to place all future customer receipts in relation to ATOL protected bookings into a 3rd party trust. These funds can only be used to pay suppliers linked to the customer booking, with the subsequent margin withdrawn to the Company's own bank account following the booking departure date.

2.10. Share Capital

Ordinary shares are classified as equity.

2.11. Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Trade creditors are classified as current liabilities when there is contractual obligation to pay for services linked to the provision of holidays, flights, transfers, tours or attractions which are recognised upon date of departure.

2.12. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the consolidated Income Statement over the period of the borrowings using the effective interest method.

2.13. Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Significant accounting policies *(continued)*

2.14. Current and deferred tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.15. Employee benefits

Defined contribution pension obligation

For defined contribution plans, the company pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and charged to the income statement. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The assets of the scheme are held separately from those of the Company.

2.16. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised where: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2. Significant accounting policies *(continued)*

2.17. Revenue and Cost of Sales recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT, cancellations and other associated taxes.

Cost of sales is measured at the fair value of the amount paid or payable and represents amounts payable for services received in the normal course of business, net of VAT, cancellations and other associated taxes.

For component only sales, where the Company's role in a transaction is that of agent and the company does not take ownership of the products being sold, revenue is recognised on a net basis (total transaction value less cost of sales), with revenue therefore representing commissions earned. Such revenue comprises agency commission earned on the sale of single travel components (including accommodation, car hire, airport parking and insurance) and is recognised on the date of departure. No cost of sales are recognised in the income statement for these sales.

For packages sales, the Company's role in a transaction is that of principal (purchasing products from different suppliers and putting them together to offer a 'holiday package' for a single price to the customer), revenue is stated at the contractual value of services provided and is recognised on a gross basis (total transaction value) on the date of departure as this is deemed to be when the performance obligation has been met. Cost of sales is recognised on a gross basis on the date of departure as well.

2.18. Deferred Revenue / Cost of Sales

Deferred revenue

Deferred revenue represents an obligation to provide products or services to a customer when payment has been made in advance and delivery or performance of the obligation has not yet occurred.

Deferred revenue is recognised prior to departure date when cash has been received from the customer.

2. Significant accounting policies *(continued)*

Deferred cost of sales

Deferred cost of sales represents an obligation to buy products or services from a supplier when payment has been made in advance and delivery or performance has not yet occurred.

The trigger point for the contractual obligation to pay a supplier is subject to the terms agreed with individual suppliers, as well as booking type, destination, and departure period. Management therefore recognises deferred cost of sales upon cash payment to the supplier within prepaid prior to departure date, as this is the only guaranteed trigger date that fits all possible scenarios for contractual obligation (see note 3).

2.19. Finance income/ (expense)

Finance income

Finance income is recognised on a time proportion basis at the effective interest rate applicable.

Finance expense

Interest on right-of-use leases is unwound to the income statement in line with the lease payments.

Other loan interest relates to interest charged by the immediate parent entity, in relation to the cash loan to fund the company's liquidity through the Covid-19 pandemic. Such interest is charged to the income statement in the month in which it is incurred.

2. Significant accounting policies *(continued)*

2.20. Leases

The company leases several vehicles. The rental contracts are for a fixed period of 3 years but may have extension options. The lease agreement does not impose any covenants other than the security interests in the leased asset that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the company under residual value guarantees; the exercise price of a purchase option if the company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Right-of-Use Assets (under IFRS16)

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs.

Depreciation

Depreciation is charged so as to write off the cost of assets, less its estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over their estimated useful lives, as follows:

Asset class	*Depreciation method and rate*
Property Lease	Over lease term

Lease liability

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Any funds borrowed for such a purpose would be at the prevailing market rate, therefore the incremental borrowing rate is the rate advised by the Company's bankers.

3. Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

3.2. Critical judgement in applying the entity's accounting policies

3.2.1 Revenue

Management recognises component only sales and packages sales on a departure date basis, rather than at the point of booking. The events of the last year have brought into focus the responsibility retained by the Company post booking and as a result, the Directors' have assessed the nature of the performance obligation they undertake as "agent" – and they have concluded that there is more to their performance obligation than simply putting the customer in contact with suppliers at the point of booking. The Company's obligations include connecting the customer to the supplier and also the provision of after-booking services, for instances of cancellations or amendments (which can include supplier-led and customer-led changes).

Management have concluded that their agency services are not finally complete, thus not fully transferred to the customer, until the underlying service has commenced (for example, the outbound flight departed or the customer has checked-in for a hotel stay). This conclusion is supported by the fact that the Company provides post booking services as customary business practice (particularly evidenced by the experience over the last year) and that, up to the commencement of the underlying service, customers generally contact the Company to deal with any issues or amendments whereas, from that point onwards, the customer is in direct contact with the underlying service provider.

Management has therefore reached a judgement that component only sales will be recognised in the P&L on a departure date basis. Payments received on bookings made that have not yet departed will be reported as deferred revenue on the balance sheet.

3. Critical accounting estimates and assumptions *(continued)*

3.2.2 Deferred Revenue/Trade Debtors and Deferred Cost of Sales/Trade Creditors

Under IFRS 15 guidance, if a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (ie a receivable), before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). Therefore management only recognised trade debtors on departure date as until this date, management does not have an unconditional right to consideration due to the cancellation and amendment terms with the customer. Deferred revenue is recognised only upto the amount of customer cash received prior to departure date.

The stage of unconditional obligation to pay for services linked to the provision of holidays, flights, transfers, tours or attractions is upon departure date. Therefore, trade creditors are recognised at the date of departure and deferred cost of sales is recognised in prepayments only up to cash paid to suppliers prior to departure date.

3.2.3. Intangible assets

Management classify useful lives of intangible assets based on the following asset classes:

Asset class	*Amortisation method and rate*
Computer Software - Front-End / App Developments. User Interface / User Experience	33% straight line
Mid-level, hybrid front/back-end	25% straight line
Infrastructure / Platforms and back-end developments / Major framework rebuilds (Front/Mid/Back)	20% straight line

4. Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2023 £000	2022 £000
Trading Revenue	**145,188**	23,769
Other Revenue	**145**	110
	145,333	23,879

5. Other operating income

	2023 £000	2022 £000
Furlough	**-**	36
Marketing	**690**	339
Sundry income	**1,072**	-
	1,762	375

6. Operating loss

Arrived at after charging/ (crediting)	2023 £000	2022 £000
Advertising costs	**10,929**	-
Amortisation expense	**1,542**	3,035
Impairment charge for ROU asset	**-**	1,375
Depreciation expense on Property, plant and equipment	**368**	612
Depreciation expense of ROU assets	**244**	480
Foreign exchange losses/(gains)	**245**	(19)
Management recharges	**6,783**	-

7. Auditors' remuneration

	2023 £000	2022 £000
Audit fees	**101**	98
Non-audit fees	**3**	3
	104	101

8. Employees and Directors

Employees

There were no employees of the company for the year ended 31 March 2023. Employee costs in the entity were paid for via another sister company, Gold Medal Travel Group Limited. As a result, the employee costs and number of employees is shown as nil. The employee costs recharged to the company are £3.4m.

	2023	2022
	£000	£000
Wages and Salaries	**3,047**	3,644
Social Security Costs	**312**	386
Other pension costs	**77**	89
	3,436	**4,119**

The average monthly number of persons employed by the company (including Directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Administration and Support	**107**	42
Directors	**-**	-
	107	42

There were no directors employed by of the company for the year ended 31 March 2023. Directors' costs in the entity were paid for via another sister company, Gold Medal Travel Group Limited. The Directors' costs and number of directors is shown as nil. The details of directors' emoluments do not include the emoluments in relation to services performed for this company by the directors, who are paid by Gold Medal Travel Group Limited which is a fellow group company.

9. Finance income and finance costs

Finance income

	2023 £000	2022 £000
Other Interest received	**43**	-

Finance costs

	2023 £000	2022 £000
Lease liability interest	**72**	86
Other loan interest	**3,539**	3,415
	3,611	3,501

Other loan interest includes interest charged by a sister company on a cash loan.

10. Income Tax Charge

Tax charged in the income statement

	2023 £000	2022 £000
Current taxation		
UK corporation tax on (loss) / profit before taxation	-	-
Adjustments in respect of prior periods	**39**	(158)
Total current tax charge/(credit)	**39**	(158)

The tax charge for the year is higher (2022: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2023 of 19% (2022 - 19%).

10. Income Tax Charge *(continued)*

	2023 £000	2022 £000
Loss before taxation	**(13,930)**	(20,072)
Loss before taxation multiplied by the current tax rate (19%)	**(2,647)**	(3,814)
Effects of:		
Adjustments in respect of prior periods	**(168)**	(158)
Fixed Asset Differences	**-**	(84)
Expenses not deductible for tax	**10**	655
Remeasurement of deferred tax for change in rates	**-**	(3,327)
Super deduction adjustment	**(6)**	-
Deferred tax not recognised	**2,850**	6,570
Total tax charge/(credit)	**39**	(158)

Future tax changes

During the period, the UK Government announced (and enacted) a law change to increase the corporation tax rate to 25% from 1 April 2023 (replacing the previous rate of 19%). Deferred taxes at the balance sheet date have therefore been measured at this rate.

Deferred tax assets in respect of unused tax losses of £66.3m (gross), fixed assets of £2.1m (gross), loan relationships £5.5m (gross) and other temporary differences of £0.7m (gross) have not been recognised as there is currently insufficient evidence to support recovery.

11. Intangible assets

	Research and Development £000	Goodwill £000	Total £000
Cost			
At 1 April 2022	9,488	555	10,043
Additions	5,226	-	5,226
At 31 March 2023	**14,714**	**555**	**15,269**
Accumulated amortisation			
At 1 April 2022	(7,255)	(555)	(7,810)
Charge for the year	(1,542)	-	(1,542)
	(8,797)	**(555)**	**(9,352)**
Net Book Value			
At 31 March 2022	2,233	-	2,233
At 31 March 2023	**5,917**	**-**	**5,917**

Amortisation is charged to administrative expenses within the income statement.

The Directors are in agreement that the carrying value of the intangible assets be equal to their book value.

Travel Republic Ltd

Notes to the Financial Statements for the year ended 31 March 2023 *(continued)*

12. Property, plant and equipment

	Short term leasehold improvements £000	Fixtures, Fitting and Equipment £000	Total £000
Cost or valuation			
At 1 April 2022	849	3,867	4,716
Additions	76	107	183
At 31 March 2023	**925**	**3,974**	**4,899**
Accumulated depreciation			
At 1 April 2022	(355)	(3,559)	(3,914)
Charge for the year	(101)	(267)	(368)
At 31 March 2023	**(456)**	**(3,826)**	**(4,282)**
At 31 March 2022	494	308	802
At 31 March 2023	**469**	**148**	**617**

Depreciation is charged to administrative expenses within the income statement.

13. Leases

The company has leases for property and motor vehicles. The amounts recognised in the financial statements in relation to leases are as follows:

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

	2023	2022
	£000	£000
Right-of-use assets		
Property	**1,036**	1,279
	1,036	1,279
Lease Liabilities		
Current	**581**	85
Non current	**1,785**	2,423
	2,366	2,508

(ii) Amounts recognised in the Income Statement

The income statement shows the following amounts in relation to leases:

	2023	2022
	£000	£000
Depreciation charge of Right-of-use assets		
Property	**244**	480
	244	480
Interest expense included in finance cost	**72**	86

Future minimum lease payments as at 31 March 2023 are as follows:	2023	2022
	£000	£000
Not later than one year	**645**	161
Later than one year and not later than five years	**1,935**	2,580
Greater than five years	**-**	-
Total gross payments	**2,580**	2,741
Impact of finance credit/ (expenses)	**(214)**	(233)
Carrying amount of liability	**2,366**	2,508

14. Inventories

	2023 £000	2022 £000
Goods for resale	**5**	173

15. Trade and other receivables

	2023 £000	2022 £000
Trade Receivables	**1,801**	1,212
Prepayments and accrued income	**26,800**	23,044
Other Receivables	**3,048**	2,552
Amounts owed by group undertakings	**52,791**	46,038
PAYE & social security	**-**	4
Derivative financial instrument	**-**	139
VAT	**763**	25
	85,203	73,014

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Credit risk

The Company's principal financial assets are trade and other receivable, and amounts due from other Group and fellow subsidiary undertakings. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts and impairment.

Trade receivables are stated after provision for impairment of £1.1m (2022: £0.6m).

16. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	**6,878**	9,782
Amounts owed to group undertakings	**120,977**	99,081
Derivative financial instrument	**205**	-
Taxation and social security	**-**	-
Lease Liability	**581**	85
Accruals and deferred income	**54,951**	44,677
	183,592	153,625

Amounts owed to group undertakings in relation to the £91.9m Covid-19 cash loan from the parent company. This loan is interest bearing at a rate of 4% and is repayable on demand. All remaining amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Lease liabilities	**1,785**	2,423
	1,785	2,423

18. Provisions for liabilities

	Covid-19 £000	Sundry £000	Other £000	Total £000
Cost or valuation				
At 1 April 2022	804	238	146	1,188
Additions		50	20	70
Utilisation	(729)	-	-	(729)
At 31 March 2023	**75**	**288**	**166**	**529**

Provisions relate to the future cancellations due to Covid-19 (refer to note 2).

19. Financial Insturments

Travel Republic Ltd has the following financial instruments:

	Note	2023 £000	2022 £000
Financial assets that are debt insturments measured at amortised cost			
Trade receivables	15	**1,801**	1,212
Prepayments & accrued income	15	**26,800**	23,044
Other debtors	15	**3,048**	2,552
Amounts owed by group undertakings	15	**52,791**	46,038
Derivative financial instrument	15	**-**	139
		84,440	72,985

	Note	2023 £000	2022 £000
Financial liabilities measured at amortised cost			
Trade creditors	16	**6,878**	9,782
Amounts owed to group undertakings	16	**120,977**	99,081
Accruals and deferred income	16	**54,951**	44,677
Derivative financial instrument	16	**205**	-
		183,011	153,540

20. Called up share capital

Allotted and fully paid

	2023		2022	
	No.	£000	No.	£000
Ordinary shares of £100 each (2022: £100 each)	4,123,800	41	4,123,800	41
	4,123,800	**41**	**4,123,800**	**41**

21. Commitments

Other financial commitments

The company enters into forward foreign currency contracts in order to manage its currency risks arising from its operations. At 31 March 2023, the company had committed to the following forward currency contracts:

	FX Exposure 000	GBP exposure 000
USD	3,512	2,893
EUR	27,327	24,259
AED	919	205

22. Contingent liabilities

As at 31 March 2023 the Company had issued bonds and guarantees for £1,675,916 (31 March 2022: £2,676,000) securing the Company's indebtedness to certain airlines and trade bodies arising from normal trading activities. On 14 October 2014 dnata, a Dubai corporation established by Decree No.1 of 1987 (as amended) by the Government of Dubai, and dnata World Travel, a Dubai corporation established by Decree No.3 of 1989 (as amended) by the Government of Dubai both entered into a deed of guarantee with the Civil Aviation Authority in respect of the ATOL obligations of the Company.

23. Hedging instruments

Fair value hedges

The Company carries foreign exchange forward contracts at fair value in the financial statements. These are classified as fair value through profit or loss for accounting purposes. They are used to hedge against currency risks.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk as a result of transactions and outstanding balances with overseas customers and suppliers which are primarily denominated in US Dollar or Euro.

The Company regularly takes out matching forward exchange contracts to mitigate the Company's exposure to changes in foreign exchange rates and applies fair value hedge accounting to such transactions (see accounting policies). The fair value of a forward exchange contract will change in response to fluctuations in the underlying currency of the contract. The fair value of forward exchange contracts at the end of each year is disclosed in note 19.

24. Parent and ultimate parent undertaking

The penultimate parent company is dnata, a company incorporated in Dubai. The ultimate parent undertaking and controlling company at the year-end was the Investment Corporation of Dubai, a company incorporated in the United Arab Emirates under an Emiri decree. Copies of dnata consolidated financial statements can be obtained from the company secretary at dnata Travel Centre, PO Box 1515, Dubai, UAE.

Investment Corporation of Dubai is the ultimate company to consolidate these financial statements.