

PARENT ACCOUNTS OF :

ANDANTE TRAVELS LTD

COMPANY NUMBER: 01969761

Specialist Journeys Topco Limited

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 09442553

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Specialist Journeys Topco Limited

Contents

	Page
Company Information	
Group Strategic Report	1 - 3
Directors' Report	4 - 6
Independent Auditor's Report	7 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14 - 15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17 - 18
Notes to the Financial Statements	19 - 38

Company Information

Directors	R A Hunt J Willis A E Dale J Katz A Dashko
Registered number	09442553
Registered office	The Clock Tower 4 Oakridge Office Park Southampton Road Salisbury Wiltshire SP5 3HT
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Specialist Journeys Topco Limited

Group Strategic Report For the Year Ended 31 December 2021

The directors present the Strategic Report of Specialist Journeys Topco Limited (the "Group") for the year to 31 December 2021.

Principal activities

The principal activity of the Group continued to be the management and operation of special interest group tours, worldwide.

Review and results for the year

Turnover increased by 102.0% in 2021 to £3,412k (2020 – £1,689k), while gross margin increased to £581k (2020 – £436k), being 17% of turnover (2020 – 26%).

Administrative expenses were £4,662k (2020 – £5,248k). Administrative expenses include £159k (2020 – £357k) which the Group considers to be exceptional in nature, including costs of a redundancy exercise, one-off legal fees and final costs relating to the closure of the US office.

The reported loss for the year was £(4,779)k (2020 – £(5,292)k). EBITDA (Earnings before interest, tax, depreciation and amortisation), excluding the exceptional costs noted above, was £(2,608)k (2020 – £(2,658)k).

Travel in 2021 continued to be impacted by the COVID-19 pandemic with all tours until June 2021 being either postponed or cancelled. From June onwards, the Group started operating domestic tours, with a small number of overseas tours commencing from September. As we experienced throughout the pandemic, the majority of guests from affected tours in 2021 transferred to future dates, either within 2021 or in 2022 or 2023.

During 2021 the Group continued to utilise its market-leading eleven-point plan to operate its tours in a COVID-secure manner, continuously assessing the viability of every tour on an individual basis with regard to the local restrictions relevant at each destination.

In order to allow the Group to operate through the travel restrictions and continue to meet obligations, including refunds to guests for cancelled tours, the Group successfully secured over £2.5m of additional funding during 2021. This funding took the form of shareholder and external debt, with £1m of the external debt in the form of a Government-backed loan through the Covid Recovery Loan Scheme.

In September 2021, the Group renewed its ATOL licences, as well as the membership of ABTOT in October 2021, who provide financial protection for the non-flight bookings.

Net liabilities at 31 December 2021 were £(13,947)k (2020 – £(9,181)k).

The directors have prepared the accounts on a going concern basis, having duly considered the Group's financial forecasts and taking into account the continuing support of its principal shareholders.

Analysis based on key performance indicators

The directors use a number of financial and operational KPIs to monitor business performance against forecasts, including revenue, gross margin %, EBITDA, passenger numbers, trip fill %, average selling price, weekly sales and customer satisfaction scores. These are monitored on a monthly basis, but due to their sensitive nature the Group does not publish these figures, with the exception of the financial KPIs shown below.

	2021	2020
Revenue	£3,412k	£1,689k
Gross margin %	17%	26%
EBITDA (pre-exceptional)	£(2,608)k	£(2,658)k

Specialist Journeys Topco Limited

Group Strategic Report (continued) For the Year Ended 31 December 2021

Future developments and events after the Balance Sheet date

With the emergence of the Omicron COVID-19 variant in late 2021, travel in early 2022 was once again impacted by the pandemic. However, as we progressed through the year, restrictions continued to relax and the opportunity for UK and overseas travel returned to pre-pandemic levels.

Emerging from the pandemic, the UK now faces economic uncertainty with cost-of-living pressures for many people. There continues to be demand for our specialist travel offering and while our guests appear resilient to the worst of the impact, demand remains below 2019 levels at the current time. In order to continue to support the Group through the short-term challenges, the Groups principal shareholder have provided additional funding of £0.8m across September and October 2022.

In September 2022, the Group renewed its ATOL licences, as well as the membership of ABTOT, who provide financial protection for the non-flight bookings.

The Group's principal shareholders continue to support the business and its management team with a view of delivering sustainable organic growth in the coming years and taking advantage of the opportunities expected to be presented in the market in the medium term.

Principal risks and uncertainties

The principal risks and uncertainties, which may affect the Group's performance and financial position, are set out below:

Economic risk

The COVID-19 pandemic continues to have a very significant impact on the travel industry, given the evolving landscape of government restrictions worldwide and the general economic uncertainty. The Group relies on demand within the UK market, and, to a lesser extent, the US market, for the particular special interest tours, which it operates. The Group is seeing a significant proportion of guests transferring to future departures, although a similar proportion is preferring to wait before making a decision, and demand for new bookings is lower than would normally be the case. The potential impact of the UK's departure from the EU also remains unclear.

Economic risk is considered further in note 1 to the financial statements on Going Concern.

Natural and political risk

Given the wide range of locations, in which the group operates its tours, there is a risk of external factors, such as changes in government regulations; events, which may cause risk to travellers' health; weather and other natural events; political unrest or terrorism potentially negatively impacting on the Group's performance. Factors such as these, may either increase the cost of operating tours or may precipitate cancellation or postponement of tours by the Group or the guest. The Group seeks to mitigate this risk, where possible, through diversity in its product portfolio and, therefore, ability to offer guests alternative destinations and itineraries.

Financial risk

The Group is exposed to transactional foreign exchange risk, primarily in relation to hotel and transport costs, which it manages through the use of forward foreign exchange contracts. The Group's other financial instruments are trade creditors, trade debtors and bank balances.

Specialist Journeys Topco Limited

Group Strategic Report (continued) For the Year Ended 31 December 2021

Liquidity risk

Liquidity risk is managed through regular cash flow forecasting. Trade debtors are closely managed by regular monitoring of amounts outstanding and ensuring that customer balances have been settled in advance of departure. The Group has introduced a more flexible approach to collection of customer balances since the pandemic began to impact operation of its tours, meaning that balances are collected closer to the departure date, once it is reasonably certain that a tour can depart. The Group has followed guidance from the CAA and ABTOT in issuing compliant refund credit notes to those guests, whose tours have been cancelled as a result of the COVID-19 pandemic.

This report was approved by the board and signed on its behalf.



J Willis
Director

Date: *12/12/2022*

Specialist Journeys Topco Limited

Directors' Report For the Year Ended 31 December 2021

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 the Group, and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- 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 Group will continue in business.

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

Principal activity

The principal activity of the Group in the year was the management and operation of branded specialist tour operators.

Directors

The directors who served during the year were:

R A Hunt
J Willis
A E Dale
R D Tarrant (resigned 23 November 2022)
J Katz
H E W Robinson (resigned 3 February 2022)
A Dashko (appointed 3 February 2022)

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for the executive directors of Specialist Journeys Topco Limited.

Results and dividends

The loss for the year, after taxation, amounted to £4,779k (2020 - £5,292k).

Specialist Journeys Topco Limited

Directors' Report (continued) For the Year Ended 31 December 2021

Future developments

The Group has been affected by the outbreak of the COVID-19 pandemic, which has had a significant impact on the travel industry as a whole. This is considered in more detail in note 1 to the financial statements on Going Concern.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company and the Group are discussed in the Strategic Report on page 2.

Financial risk management

Details of the group's financial risk management and exposures to price, credit, liquidity and cash flow risk are detailed in the strategic report on page 2 and 3.

Post balance sheet events

Events after the Balance Sheet date are detailed in the Strategic Report on page 2.

Branches outside the UK

The Company does not have any branches outside the UK as defined in section 1046(3) of the Companies Act 2006.

Research and development activities

The Group invests in the development of new tour products on an ongoing basis; the charge to the Statement of Comprehensive Income amounted to £4k during the year (2020 – £11k), lower than in previous years due to the limitations on global travel during the year.

Political contributions

No political donations were made or political expenditure incurred during the year (2020 - £Nil).

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Specialist Journeys Topco Limited

Directors' Report (continued)
For the Year Ended 31 December 2021

This report was approved by the board and signed on its behalf.

A Dale

A E Dale
Director

Date: *12/12/2022*

Specialist Journeys Topco Limited

Independent Auditor's Report to the Members of Specialist Journeys Topco Limited

Opinion on the financial statements

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 31 December 2021 and of the Group's loss for the year then ended;
- the 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.

We have audited the financial statements of Specialist Journeys Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the 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 their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which explains that forecasts prepared by the directors show that bank covenants may be breached in the forecast period. There is a possibility that these breaches may not be waived by the bank.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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.

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

Specialist Journeys Topco Limited

Independent Auditor's Report to the Members of Specialist Journeys Topco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the 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 or the 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Specialist Journeys Topco Limited

Independent Auditor's Report to the Members of Specialist Journeys Topco Limited (continued)

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.

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

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

- discussion with management and those charged with governance regarding consideration of known or suspected instances on non-compliance with laws and regulations and fraud;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to their assessment as to whether intangible, tangible and investment fixed assets are impaired and assessing whether the judgements made in accounting entries are indicative of potential bias;
- identifying and testing journal entries, in particular any manual journal entries to revenue or control accounts and journals posted by senior management;
- obtaining an understanding of controls designed to prevent and detect irregularities, including specific consideration of controls and group accounting policies relating to significant accounting estimates.
- reviewing senior management board meeting minutes for evidence of any fraud or non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Specialist Journeys Topco Limited

Independent Auditor's Report to the Members of Specialist Journeys Topco Limited (continued)

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:

Malcolm Thixton

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Malcolm Thixton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

Date: 14 December 2022

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

Specialist Journeys Topco Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	5	3,412	1,689
Cost of sales		(2,831)	(1,253)
Gross profit		581	436
Administrative expenses		(4,662)	(5,248)
Other operating income	6	74	167
Operating loss	7	(4,007)	(4,645)
Interest receivable and income		1	-
Interest payable and expenses	10	(865)	(739)
Loss before taxation		(4,871)	(5,384)
Tax on loss	11	92	92
Loss for the financial year		(4,779)	(5,292)
Foreign exchange movement		(8)	42
Other comprehensive (loss)/income for the year		(8)	42
Total comprehensive loss for the year		(4,787)	(5,250)
Loss for the year attributable to:			
Owners of the parent Company		(4,779)	(5,292)
Total comprehensive loss for the year attributable to:			
Owners of the parent Company		(4,787)	(5,250)

The notes on pages 19 to 38 form part of these financial statements.

Specialist Journeys Topco Limited

Registered number: 09442553

Consolidated Balance Sheet As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	12	2,045	3,175
Tangible assets	13	116	157
		<u>2,161</u>	<u>3,332</u>
Current assets			
Stocks	15	-	1
Debtors: amounts falling due within one year	16	2,004	2,340
Cash at bank and in hand		631	715
		<u>2,635</u>	<u>3,056</u>
Creditors: amounts falling due within one year	17	(8,034)	(9,522)
Net current liabilities		<u>(5,399)</u>	<u>(6,466)</u>
Total assets less current liabilities		<u>(3,238)</u>	<u>(3,134)</u>
Creditors: amounts falling due after more than one year	18	(10,457)	(5,703)
Provisions for liabilities			
Deferred taxation	22	(252)	(344)
Net liabilities		<u><u>(13,947)</u></u>	<u><u>(9,181)</u></u>
Capital and reserves			
Called up share capital	23	13	2
Share premium account	24	365	355
Foreign exchange reserve	24	48	56
Capital contribution reserve	24	13,236	13,236
Profit and loss account	24	(27,609)	(22,830)
		<u><u>(13,947)</u></u>	<u><u>(9,181)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A Dale

A E Dale
Director

Date: *12/12/2021*

The notes on pages 19 to 38 form part of these financial statements.

Specialist Journeys Topco Limited
Registered number: 09442553

Company Balance Sheet
As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	14	265	265
Current assets			
Debtors: amounts falling due within one year	16	22	1
Net current assets		22	1
Total assets less current liabilities		287	266
Net assets		287	266
Capital and reserves			
Called up share capital	23	13	2
Share premium account	24	367	357
Profit and loss account brought forward	24	(93)	(93)
Result for the year		-	-
Profit and loss account carried forward	24	(93)	(93)
		287	266

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A Dale

A E Dale
Director

Date: *12/12/2022*

The notes on pages 19 to 38 form part of these financial statements.

Specialist Journeys Topco Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £000	Share premium account £000	Foreign exchange Reserve £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	2	355	56	13,236	(22,830)	(9,181)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(4,779)	(4,779)
Foreign exchange movement	-	-	(8)	-	-	(8)
Other comprehensive loss for the year						
	-	-	(8)	-	-	(8)
Total comprehensive loss for the year						
	-	-	(8)	-	(4,779)	(4,787)
Contributions by and distributions to owners						
Shares issued during the year	11	10	-	-	-	21
Total transactions with owners						
	11	10	-	-	-	21
At 31 December 2021	13	365	48	13,236	(27,609)	(13,947)

The notes on pages 19 to 38 form part of these financial statements.

Specialist Journeys Topco Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £000	Share premium account £000	Foreign exchange reserve £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	2	355	14	13,236	(17,538)	(3,931)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(5,292)	(5,292)
Foreign exchange movement	-	-	42	-	-	42
Other comprehensive income for the year						
	-	-	42	-	-	42
Total comprehensive income/(loss) for the year						
	-	-	42	-	(5,292)	(5,250)
At 31 December 2020	2	355	56	13,236	(22,830)	(9,181)

The notes on pages 19 to 38 form part of these financial statements.

Specialist Journeys Topco Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	2	357	(93)	266
Result for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 1 January 2021	2	357	(93)	266
Result for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Contributions by and distributions to owners				
<i>Shares issued during the year</i>	11	10	-	21
Total transactions with owners	11	10	-	21
At 31 December 2021	13	367	(93)	287

The notes on pages 19 to 38 form part of these financial statements.

Specialist Journeys Topco Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year	(4,779)	(5,292)
Adjustments for:		
Amortisation of intangible assets	1,176	1,340
Depreciation of tangible assets	63	86
Loss on disposal of tangible assets	-	34
Loss on disposal of intangible assets	-	170
Interest received	(1)	-
Interest charge	865	739
Taxation charge	(92)	(92)
Decrease in stocks	1	1
Decrease in debtors	322	1,510
Increase in creditors	79	2,132
Corporation tax paid	-	(4)
Net cash (used in)/generated from operating activities	(2,366)	624
Cash flows from investing activities		
Purchase of intangible fixed assets	(46)	(191)
Purchase of tangible fixed assets	(22)	(18)
Interest received	1	-
Net cash used in investing activities	(67)	(209)
Cash flows from financing activities		
Issue of ordinary shares	21	-
New secured loans	1,469	-
New loan notes	1,154	-
Interest paid	(96)	(82)
Repayment of secured loans	(199)	-
Net cash generated from/(used in) financing activities	2,349	(82)
Net (decrease)/increase in cash and cash equivalents	(84)	333

Specialist Journeys Topco Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2021

	2021 £000	2020 £000
Cash and cash equivalents at beginning of year	715	382
Cash and cash equivalents at the end of year	631	715
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	631	715
	631	715

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. Going concern

The directors have made an assessment of the Group's ability to continue as a going concern. Set out below is the going concern note included in the notes to the accounts of the ultimate parent company:

COVID-19 remains in the background, although the landscape of worldwide government restrictions has significantly eased allowing the opportunity to travel freely once again. However, as the world has emerged from the pandemic, the UK and many other countries have entered a period of economic uncertainty, with cost-of-living challenges and threats of recession. This represents another challenge for the travel industry given the uncertainty over demand for holiday products and the potential for cost increases in some destinations.

Given the wide range of locations, in which the group operates its tours, there is a risk of external factors, such as changes in government regulations; events, which may cause risk to travellers' health; weather and other natural events; political unrest or terrorism potentially negatively impacting on the Group's performance.

Factors, such as these, may either increase the cost of operating tours or may precipitate cancellation or postponement of tours by the Group or the guest. The Group seeks to mitigate this risk, where possible, through diversity in its product portfolio and, therefore, ability to offer guests alternative destinations and itineraries.

The Group relies on demand within the UK market, and, to a lesser extent, the US market, for the particular special interest tours, which it operates. Although there is uncertainty of demand, thus far the customer base has seemed resilient with bookings levels remaining steady on a weekly basis. Following actions taken by the directors in recent years the financial position of the Group has been strengthened in order to ensure the Group remains viable for the future. As part of these decisions the directors have modelled future scenarios, including with different sensitivity assumptions, including one with lower levels of revenue in 2023. Several key factors enable the viability under the different scenarios:

1. The Group has increased its offering of UK, short and lower cost tours, appealing to the more cost conscious traveller, as well as maintaining 2022 prices for many 2023 tours.
2. Long haul and premium products have also been expanded, allowing choice for guests who are more resilient to the cost-of-living pressures.
3. The cost base of the Group has been restructured, with lower fixed and variable costs, most notably in terms of staff costs.
4. Continuing to approach marketing spend cautiously, without impacting on future bookings, by utilising online marketing more with lower spend on more traditional and expensive print media.
5. The Group has secured additional funding in 2022, in the form of shareholder loans.

The directors believe that the Group is in a good position to move forward and they have taken, and will continue to take, all commercially reasonable steps to mitigate the impact of the current environment on the Group's ability to continue as a going concern. Although forecasts suggest the Group can continue to operate without additional funding, they do show that cash and leverage covenants will not be met for all quarters in 2023. There is a possibility that the bank may not issue waivers for these breaches.

These conditions represent a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business.

The directors will manage working capital as much as practical and will communicate with the shareholders and the bank as early as possible if shortfalls are forthcoming and covenant waivers necessary. As in previous years, the shareholders and bank remain supportive.

For this reason, the directors continue to adopt the going concern basis in the financial statements.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. General information

Specialist Journeys Topco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the Directors' Report.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 4).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The presentation currency is pounds sterling (GBP).

The following principal accounting policies have been applied:

3.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, 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 control ceases.

3.3 Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No cash flow statement has been presented for the Company;
- No Statement of Comprehensive Income has been presented for the Parent Company as permitted by section 408 of the Companies Act 2006;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Accounting policies (continued)

3.4 Revenue

Revenue represents amounts receivable from the sale of tours and other services supplied to customers, net of VAT under the Tour Operators Margin Scheme. Revenue and tour expenses are taken to the Consolidated Statement of Comprehensive Income on the date of departure of the tour.

3.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

3.6 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

3.7 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Accounting policies (continued)

3.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences *and such reversal is not considered probable in the foreseeable future.*

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Accounting policies (continued)

3.9 Intangible assets

a) Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of the Group's share of its identifiable assets and liabilities at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life. Goodwill is being amortised to 'administrative expenses' over 5 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

b) Customer relationships

Where a value can be attributed to existing customer relationships that are acquired, these assets are held at amortised cost. Amortisation is calculated using the straight line method over the expected period that those relationships are deemed likely to generate revenues, which the directors assess as 10 years, and charged to 'administrative expenses'.

c) Brands

Where a value can be attributed to acquired brands, these assets are held at amortised cost. Amortisation is calculated using the straight line method over their expected useful lives, which the directors assess as 10 years, and charged to 'administrative expenses'.

d) Website and brand development costs

Where Group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised in accordance with the requirements of FRS 102 are not treated, for dividend purposes, as a realised loss. Amortisation is calculated using the straight line method over their expected useful lives, which the directors assess as 5 years, and charged to 'administrative expenses'.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Accounting policies (continued)

3.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

3.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

3.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

3.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable 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.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Accounting policies (continued)

3.15 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

The Group has entered into forward contracts to manage its exposure to foreign currency fluctuations. These derivatives are measured at fair value through profit and loss at each reporting date.

3.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.17 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Accounting policies (continued)

3.18 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

3.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 13)*
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- *Impairment of intangible assets (see note 12)*
Intangible assets that were acquired through the course of previous acquisitions were tested for impairment in the current year. This was based on comparing the value in use of the intangible asset to its carrying amount. The value in use used various inputs that created estimation uncertainty such as the discount rate and expected earnings in future years.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

5. Turnover

The whole of the turnover is attributable to selling packaged tours.

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	2,819	240
Rest of Europe	593	244
Rest of the world	-	1,205
	<u>3,412</u>	<u>1,689</u>

6. Other operating income

	2021 £000	2020 £000
Government grants receivable	<u>74</u>	<u>167</u>

During the year, the Group received £74k (2020 - £167k) under the UK Government's Coronavirus Job Retention Scheme.

7. Operating loss

The operating loss is stated after charging/(crediting):

	2021 £000	2020 £000
Research & development charged as an expense	4	11
Depreciation of tangible fixed assets	63	86
Amortisation of intangible assets, including goodwill	1,176	1,340
Loss on disposal of tangible fixed assets	-	34
Loss on disposal of intangible fixed assets	-	170
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	33	27
Exchange differences	36	(73)
Other operating lease rentals	<u>81</u>	<u>84</u>

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £000	Group 2020 £000
Wages and salaries	1,577	1,848
Social security costs	163	166
Cost of defined contribution scheme	65	70
	<u>1,805</u>	<u>2,084</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Sales and marketing	16	17
Product and operations	20	25
Finance and administration	8	11
	<u>44</u>	<u>53</u>

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £Nil)

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	371	331
Company contributions to defined contribution pension schemes	10	9
	<u>381</u>	<u>340</u>

The highest paid director received remuneration of £170k (2020 - £159k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £Nil).

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	96	82
Other loan interest payable	769	657
	<u>865</u>	<u>739</u>

11. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on losses for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(92)	(92)
Total deferred tax	<u>(92)</u>	<u>(92)</u>
Taxation on loss on ordinary activities	<u>(92)</u>	<u>(92)</u>

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	<u>(4,871)</u>	<u>(5,384)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(925)	(1,023)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	93	117
Deferred tax not recognised	740	814
Total tax credit for the year	<u>(92)</u>	<u>(92)</u>

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

12. Intangible assets

Group and Company

	Customer relationships £000	Website and brand development £000	Brands £000	Goodwill £000	Total £000
Cost					
At 1 January 2021	4,071	939	2,210	9,463	16,683
Additions	-	46	-	-	46
At 31 December 2021	4,071	985	2,210	9,463	16,729
Amortisation					
At 1 January 2021	2,743	237	1,553	8,975	13,508
Charge for the year	321	204	163	488	1,176
At 31 December 2021	3,064	441	1,716	9,463	14,684
Net book value					
At 31 December 2021	1,007	544	494	-	2,045
At 31 December 2020	1,328	702	657	488	3,175

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

13. Tangible fixed assets

Group

	Fixtures, fittings and equipment £000
Cost or valuation	
At 1 January 2021	359
Additions	22
At 31 December 2021	<u>381</u>
Depreciation	
At 1 January 2021	202
Charge for the year	63
At 31 December 2021	<u>265</u>
Net book value	
At 31 December 2021	<u>116</u>
At 31 December 2020	<u>157</u>

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2021	265
At 31 December 2021	265

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Specialist Journeys Midco 1 Limited**	Holding company	Ordinary	100%
Specialist Journeys Midco 2 Limited**	Holding company	Ordinary	100%
Specialist Journeys Limited**	Provider of Management Services	Ordinary	100%
Specialist Tours Limited**	Provider of Management Services	Ordinary	100%
Andante Travels Limited**	Tour operator	Ordinary	100%
Andante Travels Transport Company Limited**	Transport company	Ordinary	100%
Lindstone Travel Inc. */****	Tour operator	Ordinary	100%
Brightwater Holidays Limited**	Tour operator	Ordinary	100%
Action Events Limited**	Tour operator	Ordinary	100%
Dream Challenges Limited**	Tour operator	Ordinary	100%
Historical Trips Limited**	Dormant	Ordinary	100%
Arblaster & Clarke Holdings Limited**	Dormant	Ordinary	100%
Arblaster & Clarke Wine Tours Limited**	Dormant	Ordinary	100%
A&C Travel Limited**	Dormant	Ordinary	100%
Brightwater Transport Limited**	Dormant	Ordinary	100%
Authentic Adventures Limited**	Dormant	Ordinary	100%

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The results and net assets of all of the above entities have been included in the consolidated financial statements of the Group.

*Indirect shareholding

**The registered office of these entities is The Clock Tower, Unit 4 Oakridge Office Park, Southampton Road, Whaddon, Salisbury, Wiltshire, SP5 3HT.

***The registered office of these entities is Eden Park House, Cupar, Fife, KY15 4HS.

****The registered office of this entity is 271 Madison Avenue, New York, New York, 10016, USA.

Audit exemption

All of the above subsidiaries, except for Lindstone Travel Inc., are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act. Lindstone Travel Inc. is incorporated in the USA and does not require an audit under the UK Companies Act 2006.

15. Stocks

	Group 2021 £000	Group 2020 £000
Marketing material	-	1

16. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	7	34	-	-
Amounts owed by group undertakings	-	-	13	1
Other debtors	1,231	1,528	9	-
Prepayments and accrued income	762	760	-	-
Tax recoverable	4	18	-	-
	2,004	2,340	22	1

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

17. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans	520	2,082	-	-
Trade creditors	416	274	-	-
Corporation tax	17	18	-	-
Other taxation and social security	236	43	-	-
Other creditors	350	210	-	-
Accruals and deferred income	6,495	6,895	-	-
	<u>8,034</u>	<u>9,522</u>	<u>-</u>	<u>-</u>

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

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans	2,840	-	-	-
Other loans	7,617	5,703	-	-
	<u>10,457</u>	<u>5,703</u>	<u>-</u>	<u>-</u>

19. Loans

The bank loan is secured by a floating charge over the Group's assets. Interest accrues quarterly at a rate of 3.5% per annum plus LIBOR. The bank loan is repayable in quarterly instalments up to 31 March 2024 with the balance due on 30 June 2024. At 31 December 2020, a loan covenant breach rendered the loan repayable on demand.

Other loans relate to interest-bearing loan notes provided by shareholders, expiring in 2025. Interest accrues annually and is not required to be settled in cash until the loan notes are redeemed.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

19. Loans (continued)

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due within one year				
Bank loans	520	2,082	-	-
Amounts falling due in more than one year but not more than two years				
Bank loans	520	-	-	-
Amounts falling due in more than two years but not more than five years				
Bank loans	2,320	-	-	-
Other loans	7,617	5,703	-	-
	9,937	5,703	-	-
	10,977	7,785	-	-

20. Net debt reconciliation

	At 1 January 2021 £000	Cash flows £000	Other non- cash changes £000	At 31 December 2021 £000
Cash at bank and in hand	715	(84)	-	631
Debt due after 1 year	(5,703)	(2,424)	(2,330)	(10,457)
Debt due within 1 year	(2,082)	-	1,562	(520)
	(7,070)	(2,508)	(768)	(10,346)

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

21. Financial instruments

	Group 2021 £000	Group 2020 £000
Financial liabilities		
Financial liabilities measured at fair value	-	(9)

Financial liabilities measured at fair value comprise derivatives held within accruals and deferred income.

22. Deferred taxation

Group

	2021 £000
At beginning of year	(344)
Credited to profit or loss	92
At end of year	(252)

The provision for deferred taxation is made up as follows:

	Group 2021 £000	Group 2020 £000
Accelerated capital allowances	(26)	(26)
Intangible assets	(226)	(318)
	(252)	(344)

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,189,071 (2020 - 299,071) Ordinary A1 shares of £0.001 each	1,189	299
225 (2020 - 225) Ordinary A2 shares of £1.000 each	225	225
201,161 (2020 - 8,089) Ordinary B shares of £0.050 each	10,058	404
6,256 (2020 - 6,256) Ordinary C shares of £0.100 each	626	626
44,787 (2020 - 44,787) Ordinary D shares of £0.010 each	448	448
	12,546	2,002

The share classes rank pari passu.

During the year the Company entered into the following share transactions:

On 5 February 2021, 890,000 Ordinary A1 shares with a nominal value of £0.001 each were issued at par for a consideration of £0.01 each.

On 5 February 2021, 193,072 Ordinary B shares with a nominal value of £0.050 each were issued at par.

24. Reserves

Share premium account

The share premium reserve represents the amounts received upon the issue of share capital over the nominal value of the shares.

Capital contribution reserve

The capital contribution reserve represents contributions made by shareholders that were not in exchange for shares.

Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Profit and loss account

The profit and loss account represents the cumulative profits and losses made by the Group since its inception.

Specialist Journeys Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

25. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	76	82
Later than 1 year and not later than 5 years	104	212
	<u>180</u>	<u>294</u>

26. Related party transactions

Loans due to related parties as at 31 December 2021 and interest payable to them at the end of the year are as follows:

KPC II Ltd, on behalf of Kings Park Capital II A LP, Kings Park Capital II B LP and Kings Park Capital II (CI) LP ("KPC Funds").

Loans of £6,709,163 (2020 - £4,891,682) included interest payable of £663,382 (2020 - £524,109).

Kings Park Capital LLP

A management fee of £50,000 (2020 - £50,000) was charged to the Company by Kings Park Capital LLP during the year. At the year end £200,000 was outstanding (2020 - £150,000).

Key management

Key management personnel are considered to be the directors of the Company.

Compensation paid to key management personnel was £429,137 (2020 - £374,849).

Kings Park Capital LLP, in its capacity as manager of KPC Funds, and KPC II GP LLP, in its capacity as general partner of KPC Funds, have given security and guarantees to third parties amounting to £1,000k (2020 - £1,000k) on behalf of the Group.

27. Controlling party

The ultimate controlling party is considered to be Kings Park Capital LLP, a limited liability partnership registered under OC329652 in England & Wales with its registered office being 27 Hanson Street, London, England, W1W 6TR, acting in its capacity as the investment manager of Kings Park Capital II A LP, Kings Park Capital II B LP and Kings Park Capital II (CI) LP.