

Company registration number

11399344

BUCHAREST TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

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Company Information

Directors:

C Gurassa
P Liney
D Riley
J Lawford
H Strachan

Registered office:

Saviour House
9 St Saviourgate
York
YO1 8NL

Company Registration Number: 11399344

Auditor:

BDO LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

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Strategic report

for the year ended 31 October 2021

The Directors present their strategic report of the Group for the year ended 31 October 2021.

Review of the business

The principal activity of the Company is that of a holding company. The Group, of which the company is part, is a tour operator selling and operating differentiated escorted and non-escorted rail and river cruise-based holidays.

The Group's products are sold across multiple channels most of which are served by the in-house reservations function. The Group has a strong proprietary database, seeks new customers through direct advertising and additionally works with the travel agent channel. Given the continued evolution of the digital environment and consumption, the Group's sales approach is constantly evolving to meet consumer preferences.

During the year, trading by the Group was significantly impacted by Covid-19 and the global restriction on travel and tourism. This is discussed in more detail later in this report.

Key performance indicators ("KPIs")

The Group's key financial and non-financial performance indicators during the year were as follows:

	2021	2020
	£'000	£'000
Revenue	26,345	16,144
Gross profit	8,762	5,824
Operating loss before amortisation	(5,070)	(14,949)

Within the year, turnover was £26,345,000 (2020: £16,144,000), with an operating loss before amortisation of £5,070,000 (2020 operating loss: £14,949,000).

The loss after taxation amounted to £18,066,000 (2020: £29,907,000). The Group has a net asset position at the year-end of £3,568,000 (2020 net liabilities: £43,371,000).

Future developments

The Group will continue to operate its existing range of products and expand its offering particularly to its US customer base.

Strategic report

for the year ended 31 October 2021 (continued)

Impact of Covid-19 pandemic

During the year, the Group's ability to generate revenue was significantly impacted by global restrictions on travel and tourism activities. The Group constantly adapted its response in relation to the pandemic based on the latest government and industry advice including when domestic and international travel resumed. From May 2021, the Group was able to resume domestic holiday activities in its UK and US markets, and, from September 2021, was able to resume European holidays and US customer were able to travel into Canada.

The Group continued to take a number of actions during the year in order to reduce the financial impact upon the business and, to protect its employees and customers including:

- acting on Public Health England guidelines and Foreign Office travel advice, and implementing measures to establish a safe environment for staff to work and for customers to travel;
- utilising strong relationships with its supportive lenders, they made a number of adjustments to interest payments and covenant reporting;
- the UK and US businesses utilising the relevant government's job support schemes intended to support future job retention; and
- significantly reducing other operational cost and capital expenditure, reducing discretionary spend.

Within the year, the Group undertook two refinances of the business to ensure that it has sufficient liquidity and resources in order to meet its medium term cashflow requirements. Both refinances were supported by the Group's existing investors and lenders on terms in line with existing facilities and borrowings. Further details are outlined in these consolidated financial statements (see note 18).

Principal risks and uncertainties

Economic conditions and external market factors

The Group remains resilient to the challenging economic times that continue to be prevalent in our primary sales markets. We are regularly engaging with our consumer to instil confidence in delivery and reassurance.

Product, channel and geographic mix

The Group has developed a multi-category offering across various channels and geographies. As a result, the Group is exposed to variations in pricing and margins across these various dimensions:

- each brand and destination carry differing margins, exposing the Group to variations in profitability as our product mix changes over time; and
- each sales channel carries differing cost of acquisition. As the proportion of our sales through each sales channel changes over time, this influences profitability.

Strategic report

for the year ended 31 October 2021 (continued)

Principal risks and uncertainties (continued)

Brand reputation

Our brand continues to maintain a leading position in any of the markets we operate. The Group takes very seriously the protection of that brand and maintenance of its reputation with agents and consumers.

Key objectives that are important to maintaining and enhancing our brand:

- maintain the popularity, attractiveness and quality of the products we offer;
- maintain or improve consumers' satisfaction with our products and our customer service;
- increase brand awareness through brand investment, including through consumer engagement and marketing activities; and
- provide a compelling online experience to consumers through our digital platform.

Foreign exchange

The Group is exposed to risks in foreign exchange as it reports in GBP but purchases a significant amount of cost of sales in non-GBP, the EUR being the most significant.

Historically, the Group has mitigated the exposure to these transactions by taking out foreign exchange hedging instruments to reduce volatility to future cash flow for up to 6-15 months ahead. The Group does not apply hedge accounting.

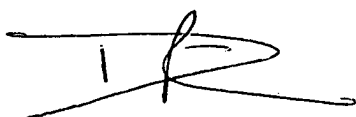
Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the wider Group has credit facilities available.

Safety and security

The safety and security of our customers and our colleagues is a key priority. Failure to prevent or deal effectively with a major safety incident, including a security related threat, could adversely affect the business's reputation, operational and financial performance. Customer safety is monitored daily by reviewing the travel advice provided through the Foreign Office and world events, the senior management team who ultimately decide the future of any specific tour.

Signed on behalf of the Directors



D Riley
Director

Approved by the Directors on 31 January 2022

Directors' report
for the year ended 31 October 2021

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 October 2021.

Results and dividends

The loss after tax of the Group for the period, amounted to £18,066,000 (2020: £29,907,000). No dividend payments were made during the year (2020: £nil).

Review of the business, principal risks, financial risk management and future developments

The review of the business, principal risks, financial risk management and future developments are covered within the strategic report.

Going concern

These consolidated financial statements have been approved on the assumption that the Company remains a going concern. See Note 2 "going concern" to the consolidated financial statements for further details.

Directors

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

C Gurassa
P Liney
D Riley
J Lawford
H Strachan

Political contributions

No political contributions were made in the period.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of these financial statements. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Health and safety

The Company is committed to providing a safe working environment for its employees. Health and safety procedures are continually being reviewed to ensure effective management of responsibilities and on-going compliance.

Directors' report

for the year ended 31 October 2021 (continued)

Employment policies

It is the Company's policy that all persons should be considered for employment, training, career development and promotion on the basis of their ability and attitude, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

The Company applies employment policies that are fair and equitable for all employees and which ensure entry into and progression within the Company are determined solely by application of job criteria and, personal ability and competency.

Full and fair consideration (having regard to the persons particular attitudes and abilities) is given to applications for employment and the career development of disabled persons. The Company's training and development policies make it clear that it will take all steps practicable to ensure that employees who become disabled during the time they are employed by the Company are able to perform their duties.

We use a range of regular communication channels to keep employees briefed on the Company's strategic and financial progress and any ongoing initiatives that may affect them. This is a two way process and employees are actively encouraged to share ideas directly with senior management.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this report confirm that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

Independent auditor

BDO LLP have indicated their willingness to be re-appointed and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an AGM.

Approved on behalf of the Board of Directors



D Riley
Director

31 January 2022

Registered office: Saviour House, 9 St Saviourgate, York, YO1 8NL

Directors' responsibilities statement
for the year ended 31 October 2021

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the financial statements, the Directors are required to:

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

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

Independent auditor's report to the members of Bucharest Topco Limited
for the year ended 31 October 2021

Opinion

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 October 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bucharest Topco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2021 which comprise the Consolidated Income statement Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in 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.

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors 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.

Independent auditor's report to the members of Bucharest Topco Limited

for the year ended 31 October 2021 (continued)

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

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

Responsibilities of Directors

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

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

Independent auditor's report to the members of Bucharest Topco Limited

for the year ended 31 October 2021 (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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the Company's financial statements.

Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of management and of the Directors as to the risks of non-compliance and any instances thereof. We also addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Independent auditor's report to the members of Bucharest Topco Limited
for the year ended 31 October 2021 (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:

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31 January 2022

Paul Davies (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds, UK
31 January 2022

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

Consolidated Income statement
for the year ended 31 October 2021

	Note	2021 £'000	2020 £'000
Revenue	3	26,345	16,144
Cost of sales		(17,583)	(10,320)
Gross profit		<u>8,762</u>	<u>5,824</u>
Administrative expenses - excluding amortisation		(14,429)	(21,804)
Other operating income	4	597	1,031
Operating loss before amortisation		<u>(5,070)</u>	<u>(14,949)</u>
Administrative expenses - amortisation		(7,505)	(7,617)
Operating loss after amortisation		<u>(12,575)</u>	<u>(22,566)</u>
Interest receivable and similar income	9	44	837
Interest payable and similar expenses	10	(7,700)	(12,364)
Loss before taxation		<u>(20,231)</u>	<u>(34,093)</u>
Tax on loss on ordinary activities	11	2,165	4,186
Loss after tax for the financial year		<u>(18,066)</u>	<u>(29,907)</u>
Other comprehensive income			
Currency translation difference		32	14
Total comprehensive loss for the year		<u>(18,034)</u>	<u>(29,893)</u>

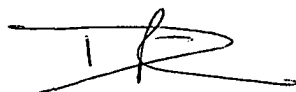
The accompanying notes form an integral part of these financial statements.

Statement of financial position**as at 31 October 2021**

	Note	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Non-current assets					
Intangible assets	12	110,875	117,912	-	-
Property, plant and equipment	13	156	253	-	-
Investments	14	-	-	40,329	40,329
		<u>111,031</u>	<u>118,165</u>	<u>40,329</u>	<u>40,329</u>
Current assets					
Trade and other receivables	17	8,309	7,964	1,654	47
Cash and bank balances		16,715	16,816	424	-
		<u>25,024</u>	<u>24,780</u>	<u>2,078</u>	<u>47</u>
Current liabilities					
Creditors: amounts falling due within one year	18	(36,744)	(59,055)	(5,075)	(9,763)
		<u>(36,744)</u>	<u>(59,055)</u>	<u>(5,075)</u>	<u>(9,763)</u>
Net current liabilities		<u>(11,720)</u>	<u>(34,275)</u>	<u>(2,997)</u>	<u>(9,716)</u>
Debtors - amounts falling due after more than one year	16	3,676	2,220	-	-
Long term liabilities					
Liabilities - amounts falling due after more than one year	19	(93,815)	(123,877)	(8,780)	(39,340)
Provisions for liabilities					
Deferred tax liability	16	(5,604)	(5,604)	-	-
Net assets/ (liabilities)		<u>3,568</u>	<u>(43,371)</u>	<u>28,552</u>	<u>(8,727)</u>
Equity					
Called up share capital	20	260	54	260	54
Share premium reserve	20	1,021	982	1,021	982
Capital contribution reserve		64,728	-	38,326	-
Capital redemption reserve		5	-	5	-
Treasury shares reserve		-	-	-	-
Profit and loss account		(62,446)	(44,407)	(11,060)	(9,763)
Equity attributable to owners		<u>3,568</u>	<u>(43,371)</u>	<u>28,552</u>	<u>(8,727)</u>

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 loss of the Company for the year was £1,292,000.

The financial statements on pages 11 to 34 were approved by the board of Directors on 31 January 2022 and signed on its behalf by:



D Riley
Director

Company Registration Number: 11399344

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

Consolidated statement of changes in equity
for the year ended 31 October 2021

	Called up share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Capital redemption reserve £'000	Treasury shares reserve £'000	Profit and loss account £'000	Total £'000
Balance at 31 October 2019	<u>54</u>	<u>950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,514)</u>	<u>(13,510)</u>
Changes in equity							
Issue of share capital	-	32	-	-	-	-	32
Loss for the year	-	-	-	-	-	(29,907)	(29,907)
Currency translation difference	-	-	-	-	-	14	14
Balance at 31 October 2020	<u>54</u>	<u>982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,407)</u>	<u>(43,371)</u>
Changes in equity							
Issue of share capital	211	39	-	-	-	-	250
Purchase of share capital	(5)	-	-	5	-	(5)	(5)
Purchase of preference shares	-	-	38,326	-	-	-	38,326
Loan notes - debt to equity swap	-	-	26,402	-	-	-	26,402
Loss for the year	-	-	-	-	-	(18,066)	(18,066)
Currency translation difference	-	-	-	-	-	32	32
Total changes in equity	<u>206</u>	<u>39</u>	<u>64,728</u>	<u>5</u>	<u>-</u>	<u>(18,039)</u>	<u>46,939</u>
Balance at 31 October 2021	<u>260</u>	<u>1,021</u>	<u>64,728</u>	<u>5</u>	<u>-</u>	<u>(62,446)</u>	<u>3,568</u>

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

Company statement of changes in equity
for the year ended 31 October 2021

	Called up share capital £'000	Share premium account £'000	Capital Contribution reserve £'000	Capital redemption reserve £'000	Treasury shares reserve £'000	Profit and loss account £'000	Total £'000
Balance at 31 October 2019	<u>54</u>	<u>950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,298)</u>	<u>(4,294)</u>
Changes in equity							
Issue of share capital	-	32	-	-	-	-	32
Loss for the period	-	-	-	-	-	(4,465)	(4,465)
Total changes in equity	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,465)</u>	<u>(4,433)</u>
Balance at 31 October 2020	<u>54</u>	<u>982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,763)</u>	<u>(8,727)</u>
Changes in equity							
Issue of share capital	211	39	-	-	-	-	250
Purchase of share capital	(5)	-	-	5	-	(5)	(5)
Purchase of preference shares	-	-	38,326	-	-	-	38,326
Loss for the period	-	-	-	-	-	(1,292)	(1,292)
Total changes in equity	<u>206</u>	<u>39</u>	<u>38,326</u>	<u>5</u>	<u>-</u>	<u>(1,297)</u>	<u>37,279</u>
Balance at 31 October 2021	<u>260</u>	<u>1,021</u>	<u>38,326</u>	<u>5</u>	<u>-</u>	<u>(11,060)</u>	<u>28,552</u>

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

Consolidated cash flow statement
for the year ended 31 October 2021

	Group 2021	Group 2020
	£'000	£'000
Cash flows from operating activities		
Loss for the period	(18,066)	(29,907)
Adjustment for:		
Depreciation and amortisation	7,630	7,748
Interest receivable and similar income	(44)	(837)
Interest Payable and similar charges	7,700	12,364
Foreign exchange gain	(13)	-
Taxation	(2,165)	(4,186)
	<u>(4,958)</u>	<u>(14,818)</u>
Increase in trade and other receivables	(196)	(1,711)
(Decrease)/ Increase in trade and other payables	(6,237)	15,681
	<u>(11,391)</u>	<u>(848)</u>
Tax received/(paid)	488	(477)
Net cash used in operating activities	<u>(10,903)</u>	<u>(1,325)</u>
Cash flows from investing activities		
Interest received	5	72
Additions of intangible fixed assets	(468)	(343)
Additions of tangible fixed assets	(28)	(146)
Net cash used in investing activities	<u>(491)</u>	<u>(417)</u>
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital	250	32
Proceeds from the issue of loan notes	14,805	-
Drawing of bank loans	5,000	-
Repayment of bank loans	(7,477)	-
Purchase of own shares	(5)	-
Debt repaid	(184)	(196)
Interest paid	(465)	(2,310)
Net cash generated from/(used in) financing activities	<u>11,924</u>	<u>(2,474)</u>
Opening cash	<u>16,816</u>	<u>21,032</u>
Net increase /(decrease) in cash and cash equivalents	530	(4,216)
Foreign exchange losses on cash and cash equivalents	(631)	-
Cash and cash equivalents at 31 October	<u>16,715</u>	<u>16,816</u>

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

Notes to the financial statements
for the year ended 31 October 2021

1. General information

Bucharest Topco Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England and Wales.

2. Summary of significant accounting policies

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

Basis of accounting

These Group and parent financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentational and functional currency of these financial statements is sterling because this is the currency of the primary economic environment in which the Group operate. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- no separate parent company Cash Flow Statement with related notes is included;
- key management personal compensation has not been included for a second time; and
- the disclosure required by FRS 102.11 Basic Financial Instruments and FRS 012.12 Other Financial Instruments Issued in respect of financial instruments not falling within the fair value accounting rule of Paragraph 36(4) of Schedule 1.

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

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires Directors to make certain estimates and assumptions that affect the application of policies and reported accounts.

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

Investments

In these consolidated financial statement, the Directors have considered whether there has been any impairments to investments. The details of these assumptions and estimates are contained within note 14 to these consolidated financial statements.

Goodwill

In these consolidated financial statement, the Directors have considered whether there has been any impairments to goodwill or brands as well as considering the useful economic life of these assets. The details of these assumptions and estimates are contained within note 12 to these consolidated financial statements.

Non-controlling interest recognition

In these financial statement, the Directors have considered whether there is a non-controlling interest to recognise. The details of these assumptions and estimates are contained within note 20 to these consolidated financial statements.

The Directors do not consider there to be any other significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, in the preparation of the consolidated financial statements.

Measurement convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except that derivative financial instruments are stated at their fair value.

Notes to the financial statements

for the year ended 31 October 2021 (continued)

2. Accounting policies (continued)

Going concern

The financial statements have been approved on the assumption that the Company remains a going concern.

The following paragraphs summarise the issues and basis on which the Directors have reached their conclusion.

The Company is a member of the Group headed by the Company, with all cash and funding managed centrally across the Group based on regulatory and liquidity requirements within the Group. As the going concern of the Company is dependent on that of the wider Group, it has been assessed at the Group level. The Directors of the Company consider that these arrangements will continue for the foreseeable future and have provided confirmation of these arrangements to its subsidiary undertakings. The Directors have had regard to these arrangements, as well as the overall going concern assessment of the Group headed by Bucharest Topco Limited.

During the year, trading by the Group continued to be impacted by Covid-19 and various restrictions on the ability to operate holidays. As outlined in detail in the strategic report the Group took a number of actions and measures to mitigate the impact of these restrictions.

Alongside these measures, the Group has been regularly evaluating and financial planning in a changing environment. This has meant preparing multiple potential scenarios which incorporate assumptions around travel restrictions and customer demand taking into account government actions across the globe, customer travel hurdles (such as testing) and trading experience. This was a critical piece of work which underpinned the recent refinance in October 2021 which was designed to ensure that the Group has more than sufficient cash and maintains reasonable headroom above its covenant suite through 2022 and beyond.

Furthermore, in common with all other businesses operating in the travel sector, the Group acknowledges that the future level of passenger activity contains uncertainty, largely relating to how each country reacts to any new variant of Covid-19 which may or may not emerge.

As a basis for the refinance in October 2021, the Group prepared multiple iterations of financial modelling scenarios. These models primarily considered the ability of the Group (both UK and US businesses) being able to take passengers domestically, to Europe and on Long Haul (e.g. Asia). The modelling was built bottom up for the UK and US businesses separately based on order books, demand and external restrictions. It should be further noted that, when considering going concern, the Directors also consider that the Group has the ability to flexibly move cash from the US business to the UK business if required.

In assessing the going concern position of the group, the directors have prepared cashflow forecasts, including the modelling of downside scenarios as summarised below:

1. No long haul/Extended European restrictions (downside scenario)

No long haul travel through 2022 and Europe borders closed until late Spring 2022 with subsequent temporary restrictions potentially in place across some countries. Domestic travel operational with the Group being able to move some international passenger demand into domestic travel (this materialised in 2021). Customer demand returns gradually but not to pre-Covid levels until 2023.

2. Some disruption/targeted restrictions

Very limited long haul travel until 2023 with some short term and temporary restrictions across individual European geographies (sometimes in parallel). European borders generally open with travel hurdles (testing, passes etc) and domestic travel operational and being able to move some international passenger demand into domestic travel. Customer demand returns quickly, trading at 75%+ of pre-Covid levels from Spring 2022 onwards.

Notes to the financial statements
for the year ended 31 October 2021 (continued)

2. Accounting policies (continued)

Going concern (continued)

3. Blanket restrictions/Major shutdown

No Europe and Long haul travel through 2022 with blanket and long term restrictions across many countries making the operation of tours impossible. Domestic travel operates with some disruption but being able to move some international passenger demand into domestic travel. Customer demand slow to return across 2022 but not to pre-Covid levels until 2023.

In all scenarios, the Group assumed that over 60% of passengers whose holiday was cancelled would be retained via a transfer to a future holiday. Throughout the last 20 months, the average transfer rate for the Group has been over 70%, so the Directors believe this is a prudent assumption. It should be noted that all scenarios exclude travel to countries where strict border controls have been maintained throughout the pandemic.

Taking into account government behaviour across the world, border regulations and trading performance during 2021, the Group concluded that the likelihood of scenario 3 is remote based on the latest information and developments. As such, the refinance, and existing going concern assessment focus on scenarios which fall into scenario 1 and 2 and, specifically, the downside scenario outlined in scenario 1 which Directors consider to be the most realistic downside.

The assumptions in scenario 1 and 2 can be supported by the recent experience of how countries have dealt with the ongoing Covid-19 evolution and the most recent variant, Omicron. This has shown that, although some countries were inclined to bring in temporary tighter cross border restrictions during an initial period of uncertainty, the majority of the measures implemented have either not impacted, or only had a short-term impact on the Group's ability to operate its tours. In addition, various countries have now indicated, by recent changes in policy and public statements, that, rather than trying to eliminate the virus, their populations will need to learn to live with Covid-19 by way of encouraging vaccination uptake and further development of treatments.

Furthermore, at the time of signing these statutory accounts, the Directors note that the Group headroom position is over 200% ahead of its downside scenario 1 (driven by travel and operations in 2021). Additionally, over 65% of the FY22 orderbook has already been secured. Trading in early 2022 has been promising which supports both the Group's own view and wider market customer sentiment studies highlighting meaningful pent up consumer demand. In modelling scenario 2 where operational limitations were temporary across one or multiple geographies, the Group has more than sufficient cash and maintains reasonable headroom above its covenant suite. It should be noted that under scenario 3, which is considered remote, the modelling indicates that significant mitigation actions would be required to ensure the Group remains within its covenant suite. These actions would include significant reduction in marketing and fixed asset investment along with reductions in discretionary spend and managing payroll costs.

In addition to looking at the business and financial modelling, the Directors have also considered and evaluated the positions of its various stakeholders. These include investors, debt providers and industry regulators/bodies. Over the course of the last 20 months, all stakeholders have been very supportive of the business, all engaged constructively, and contributed to any refinancing required over that period which has included cash injections totalling over £14m and capitalisation of £6.3m of accrued interest.

Furthermore, prior to the Group returning to its more traditional leverage covenant structure in the longer term, the Group has a short term liquidity covenant structure in place. This provides a number of layers of monitoring and visibility to stakeholders and, if breached, brings relevant stakeholders to pro-actively engage in discussions as well as giving investors the ability to provide capital solutions first in a scenario which the Directors have deemed remote.

Notes to the financial statements

for the year ended 31 October 2021 (continued)

2. Accounting policies (continued)

Going concern (continued)

Finally, the Directors have regard to the stated intention of the main investors to provide ongoing support to the Group and its needs after taking into account the potential cash requirement in the unlikely event that any other remote scenarios come to pass.

The Directors acknowledge that there are significant judgements in forming their view regarding the going concern of the business, specifically on how countries may react in the event of a new Covid-19 variant emerging and what impact this could have on the business. However, they have concluded that there is no material uncertainty relating to the events or conditions which cast significant doubt on the entity's ability to continue as a going concern.

The financial statements of the Company have therefore been prepared on a going concern basis and do not include any adjustments that would result if the Company were unable to continue due to the circumstances described above.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 October 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In the Parent financial statements, investments in subsidiaries are carried at cost less impairment.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. All foreign currency transactions relate to purchases for trading purposes. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within cost of sales. Foreign currency gains and losses are reported on a net basis.

Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue derived from tour operations is recognised on the date of departure and related costs are charged to the profit and loss account on the same basis. Other revenue is recognised when contractual obligations are completed.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the group in an independently administered fund.

Notes to the financial statements

for the year ended 31 October 2021 (continued)

2. Accounting policies (continued)

Other income

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other income" within the income statement in the same period as the related expenditure. This includes the UK Government's Coronavirus Job Retention Scheme ("furlough") and the US Government's Payroll Protection Plan ("PPP"). The Group has not directly benefitted from any other form of government assistance.

Other income

Other income is recognised when contractual obligations are completed.

Operating leases

Payments, excluding costs for service and insurance, made under operating leases are recognised in the income statement on a straight line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected inflation, in which case the payment realised relate to the structured increases are recognised as incurred.

Interest payable and similar expenses

The Company accounts for interest charges on an accrual basis.

Interest receivable and similar income

Other interest receivable and similar income include interest receivable on funds invested and fair value gains or losses on remeasurement of derivative financial instruments.

Interest income are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Dividends

Dividends payable on ordinary shares are recorded in the period in which they are approved or paid, whichever is earliest. Dividends on preference shares are accrued.

Notes to the financial statements**for the year ended 31 October 2021** (continued)**2. Accounting policies (continued)****Business combinations**

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the fair value of equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities.

Intangible assets including goodwillGoodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is amortised on a straight line basis and it has an estimate useful life of 20 years. It is estimated to have no residual value.

Brand

As part of the acquisitions in the period, the Group considered that it had acquired three brands which it required to be treated separately as intangible assets, being distinct from goodwill. The individual values of each brand has been determined using standard methodology and the support of independent valuation specialists. Each brand is amortised over its expected useful life with a range of between 10 and 20 years.

Other intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

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

Amortisation, which is included in administrative expenses, is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Software and website development	- 33.3% straight line basis
Creative content	- 33.3% straight line basis

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Notes to the financial statements**for the year ended 31 October 2021** (continued)**2. Accounting policies (continued)****Property, plant and equipment (continued)**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	-	10% straight line basis
Fixtures & fittings	-	10% reducing balance
IT equipment	-	33.3% straight line basis

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine where there is any indication that those assets have suffered impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing. Interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the income statement when liabilities are derecognised, as well as through the amortisation process.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss in financing.

Trade and other receivables

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate allowance for estimated irrecoverable amounts.

Bank overdraft/cash and cash equivalents

Cash and cash equivalent comprise cash in hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables

Trade payables are not interest-bearing and are stated as amortised cost. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Equity which is considered to be debt-like has been classified as a liability.

3. Revenue

The total turnover of the company for the period has been derived from its principal activity.

	2021 £'000	2020 £'000
Tour operator activities:		
United Kingdom	14,148	14,721
United States of America	12,197	1,423
	<u>26,345</u>	<u>16,144</u>

Notes to the financial statements**for the year ended 31 October 2021** (continued)**4. Other income**

	2021 £'000	2020 £'000
Government Grants	582	962
Other income	15	69
	<u>597</u>	<u>1,031</u>

The government grant is income received in relation to furlough and PPP schemes.

5. Loss before tax

Loss before tax is stated after charging /(crediting):

	Note	2021 £'000	2020 £'000
Amortisation of intangible assets	12	7,505	7,617
Depreciation of property, plant and equipment	13	125	131
(Profit)/loss on foreign exchange transactions		172	(340)
Operating leases costs:			
- Property, vehicles and equipment		<u>270</u>	<u>310</u>

6. Auditor's remuneration

Fees payable to BDO LLP for the audit of the Group and subsidiary's accounts were £89k (2020: £80k).
£4k of fees were payable to BDO LLP for non-audit services to the Company (2020: £4k).

7. Staff costs

The monthly average number of staff employed by the Group during the year, amounted to:

	2021 No.	2020 No.
Sales and administration	121	180
Directors	3	3
	<u>124</u>	<u>183</u>

The aggregate payroll costs of the above were:

	2021 £'000	2020 £'000
		<i>as restated</i>
Wages and salaries	5,410	7,260
Social security costs	518	674
Other pension costs	175	243
	<u>6,103</u>	<u>8,177</u>

In the prior year, the total aggregate payroll costs was under-reported in this note by £669k due to a presentational error. This has been restated and has no impact on the total Administrative Expenses included in the Income Statement.

Notes to the financial statements
for the year ended 31 October 2021 (continued)

8. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2021 £'000	2020 £'000
Remuneration receivable	502	578
Value of Company pension contributions to money purchase schemes	16	14
	<u>518</u>	<u>592</u>

	2021 £'000	2020 £'000
Highest paid Director		
Total remuneration (including pension contributions)	<u>251</u>	<u>271</u>

The number of Directors who accrued benefits under Company pension schemes was as follows:

	2021 No.	2020 No.
Money purchase schemes	<u>1</u>	<u>1</u>

9. Interest receivable and similar income

	2021 £'000	2020 £'000
Bank interest received	-	72
Other interest received	5	-
Fair value gain on revaluation of derivatives	39	765
	<u>44</u>	<u>837</u>

10. Interest payable and similar expenses

	2021 £'000	2020 £'000
Loan notes	2,230	3,408
Preference share dividend	1,287	4,463
Bank term loan	3,485	4,108
Amortisation of bank loan fees	246	225
Other interest	452	160
	<u>7,700</u>	<u>12,364</u>

Notes to the financial statements
for the year ended 31 October 2021 (continued)

11. Tax on loss

(a) Analysis of credit in the year

	2021 £'000	2020 £'000
Current tax		
In respect of the year:		
Current tax credit for the year	(380)	(541)
Adjustment in respect of previous year	(380)	-
Total current tax	(760)	(541)
Deferred tax		
Origination and reversal of timing differences	(1,405)	(3,645)
Total tax per income statement	(2,165)	(4,186)

UK Corporation tax is calculated at 19% of the estimated assessable loss for the year.

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

(b) Factors affecting current tax charge

The charge for the year can be reconciled to the income statement as follows:

	2021 £'000	2020 £'000
Loss before taxation	(20,231)	(34,093)
Tax at the UK corporation rate of 19%	(3,844)	(6,478)
Effects of:		
Expenses not deductible in determining taxable profit	1,208	2,490
Income not assessable to tax	(66)	-
Adjustment for tax charge in respect of previous periods	28	(123)
Amortisation	1,353	1,362
Foreign tax credit	(410)	(1,430)
Other timing differences	(434)	(7)
Tax credit for the year	(2,165)	(4,186)
Income tax credit reported in the income statement	(2,165)	(4,186)

Notes to the financial statements
for the year ended 31 October 2021 (continued)

12. Intangible assets - Group

	Goodwill	Brand	Software and website development	Creative Content	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
Opening balance	99,297	33,280	1,894	180	134,651
Additions	-	-	468	-	468
At 31 October 2021	99,297	33,280	2,362	180	135,119
Accumulated amortisation					
Opening balance	10,880	4,394	1,336	129	16,739
Charge for the year	4,965	2,068	428	44	7,505
At 31 October 2021	15,845	6,462	1,764	173	24,244
Net book value					
At 31 October 2021	83,452	26,818	598	7	110,875
At 31 October 2020	88,417	28,886	558	51	117,912

The Directors have reviewed whether there have been any indicators of impairment in the year. During the year, the Group's trading activities have been severely impacted by the travel restrictions as a result of the Covid 19 pandemic. The Directors have reviewed and concluded that the carrying value of the Group's Goodwill and brand is lower than the estimated future cashflow of which it is a part, calculated in line with FRS102, and includes assumptions regarding discount rates and future performance, and therefore no impairment is required.

13. Property, plant and equipment - Group

	Leasehold improvements	Fixtures & fittings	IT equipment	Total
	£'000	£'000	£'000	£'000
Cost				
Opening balance	28	31	443	502
Additions	-	-	28	28
At 31 October 2021	28	31	471	530
Accumulated depreciation				
Opening balance	10	12	227	249
Charge for the period	5	6	114	125
At 31 October 2021	15	18	341	374
Net book value				
At 31 October 2021	13	13	130	156
At 31 October 2020	18	19	216	253

Notes to the financial statements**for the year ended 31 October 2021** (continued)**14. Fixed asset Investments - Company**

	2021	2020
	£'000	£'000
Share in group undertakings:		
Cost and net book value	40,329	40,329

The Directors have reviewed whether there have been any indicators of impairment in the year. During the year, the Group's trading activities have been severely impacted by the travel restrictions as a result of the Covid 19 pandemic. The Directors have reviewed and concluded that the carrying value of the Company's investment is lower than the estimated future cashflow of which it is a part, calculated in line with FRS102 and includes assumptions regarding discount rates and future performance, and therefore no impairment is required.

Company	Country of registration of incorporation	Principle activity	Class	Shares held %
Subsidiary undertakings:				
Bucharest Holdco Limited	England and Wales	Holding company	Ordinary	100
Bucharest Holdco Limited **	England and Wales	Holding company	Deferred	0
Bucharest Midco Limited *	England and Wales	Holding company	Ordinary	100
Bucharest Bidco Limited *	England and Wales	Holding company	Ordinary	100
Thomas Topco Limited *	England and Wales	Holding company	Ordinary	100
Thomas Midco Limited *	England and Wales	Holding company	Ordinary	100
Thomas Bidco Limited *	England and Wales	Holding company	Ordinary	100
Great Rail Journeys Holdings Limited *	England and Wales	Holding company	Ordinary	100
Great Rail Journeys Partnership Limited *	England and Wales	Holding company	Ordinary	100
Great Rail Journeys Limited	England and Wales	Tour operator	Ordinary	100
GRJ (Transport) Limited *	England and Wales	Transport company	Ordinary	100
Great Rail Journeys North America LLC *	United States of America	Travel agency	Ordinary	100
VBR Tours LLC *	United States of America	Tour operator	Ordinary	100
Experiential Travel Associates Inc *	United States of America	Holding company	Ordinary	100
Holidays By Rail Limited *	England and Wales	Travel agency	Ordinary	100

* indirect holdings through other subsidiaries

** see note 19 for details on non-controlling interest in respect of deferred shares

Notes to the financial statements**for the year ended 31 October 2021** (continued)**14. Fixed asset Investments - Company** (continued)

All of the companies with the exception of VBR Tours LLC, Experiential Travel Associates Inc and Great Rail Journeys North America LLC are registered at Saviour House, 9 St Saviourgate, York, YO1 8NL. Great Rail Journeys North America LLC, VBR Tours LLC and Experiential Travel Associates Inc are registered at 309 West Washington Street, Chicago, IL 60606, USA.

15. Deferred tax liability

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current year:

	Group		Group	
	Timing Differences	Total	Timing Differences	Total
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Deferred tax liability on intangibles	(5,739)	(5,739)	(5,739)	(5,739)
Other timing differences	5,112	5,112	3,779	3,779
At 31 October	<u>(627)</u>	<u>(627)</u>	<u>(1,960)</u>	<u>(1,960)</u>

	Group	Group
	2021	2020
	£'000	£'000
Deferred tax liability on intangibles	(5,739)	(5,739)
Other timing differences	5,112	3,779
Liability recognised	<u>(627)</u>	<u>(1,960)</u>

The asset/(liability) has been recognised in the Statement of Financial Position as follows:

	2021	2020
	£'000	£'000
Current asset	1,301	1,424
Debtors - amounts falling due after more than one year	3,676	2,220
Provisions for liabilities	(5,604)	(5,604)
	<u>(627)</u>	<u>(1,960)</u>

The deferred tax asset relates to carried forward losses which are expected to be utilised between 2022 and 2024, and have been recognised accordingly.

Notes to the financial statements**for the year ended 31 October 2021** (continued)**16. Trade and other receivables**

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Trade receivables	5,676	-	5,428	-
Amounts owed by group undertakings	-	1,606	-	34
Corporation tax	696	-	424	-
Prepayments and accrued income	636	48	688	13
Deferred tax (note 15)	1,301	-	1,424	-
	8,309	1,654	7,964	47

Trade debtors are all due within one year. No interest is charged on amounts owed by group undertakings.

17. Creditors: amounts falling due within one year

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
			<i>as restated</i>	
Bank loans	5,000	-	7,477	-
Trade creditors	2,128	210	1,560	-
Deposits in advance	17,474	-	24,476	-
Amounts owed by group undertakings	-	1,594	-	-
Other taxation and social security	141	-	303	-
Other creditors	137	-	138	-
Other financial liabilities (note 20)	7	-	46	-
Accruals and deferred income	7,090	-	13,719	12
Accrued preference share dividend	3,271	3,271	9,751	9,751
Deferred consideration	1,496	-	1,585	-
	36,744	5,075	59,055	9,763

The other financial liabilities relate to the fair value of foreign exchange contracts used to hedge foreign exchange risk (see note 21).

Bank Loans is the utilisation of the rolling credit facility that the company has access to. The company's total facility is £10m which it uses to manage short term working capital requirements.

In the prior year, Bank Loans were under-reported in this note by £7,477k due to a presentational error having been included within Accruals and Deferred Income. Bank Loans and Accruals and Deferred Income have both been restated. Total Creditors: amounts falling due within one year (previously referred to as " Trade and other payables") remains unchanged.

Notes to the financial statements
for the year ended 31 October 2021 (continued)

18. Liabilities - amounts falling due after more than one year

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Bank term loans	59,639	-	53,741	-
Loan notes	25,215	-	30,410	-
Preference shares	8,780	8,780	39,340	39,340
Deferred consideration	181	-	386	-
	<u>93,815</u>	<u>8,780</u>	<u>123,877</u>	<u>39,340</u>

Terms and repayment schedule:		Nominal			
	Currency	interest	Year of	Repayment	Principal
		rate	maturity	schedule	£'000
Bank term loan 1	GBP	LIBOR + 7.00%	2025	At maturity	50,063
Bank term loan 2	USD	LIBOR + 7.00%	2025	At maturity	10,479
Loan Notes - issued 9th July 2018	GBP	10%	2028	At maturity	6,488
Loan Notes - issued 13th August 2019	USD	10%	2029	At maturity	3,950
Loan Notes - issued 19th November 2020	GBP	10%	2030	At maturity	9,808
Loan Notes - issued 19th November 2020	USD	10%	2030	At maturity	286
Loan Notes - issued 13th September 2021	GBP	15%	2031	At maturity	4,000
Loan Notes - issued 13th September 2021	USD	15%	2031	At maturity	684

Both term loans are repayable in full on 9 July 2025. The total liability is net of unamortised arrangement fees of £904k (2020: £1,150k).

The loan notes are repayable in full on the earlier of a sale of the business or 10 years from their respective issue date unless otherwise directed by the majority shareholders of Ordinary A shares.

The preference shares are repayable on the earliest of the date of a sale or listing of the Company or 9th July 2028, unless otherwise directed by the majority shareholders of Ordinary A shares.

During the year, the Group undertook two refinances, the first one on 19th November 2020 and the second on 13th September 2021. The impact on liabilities was as follows:

- interest accrued of £5.1m on Bank term loan 1 was capitalised into principle debt,
- interest accrued of £1.2m on Bank term loan 2 was capitalised into principle debt,
- loans notes of £19.7m along with accrued interest was released in consideration for the issue of deferred shares - more details are contained in note 20,
- issue of new loan notes to existing shareholders of £10.1m,
- issue of new loan notes to existing shareholders of £4.7m, and
- repurchase 30.6m of preference shares from shareholders.

Notes to the financial statements
for the year ended 31 October 2021 (continued)

19. Equity and reserves

Called up share capital

Allotted, authorised, called up and fully paid:

	2021	2021	2020	2020
	No.	£'000	No.	£'000
Ordinary shares A1 of £0.04 each	4,866,082	195	75,000	3
Ordinary shares A2 of £0.04 each	1,243,803	50	770,189	31
Ordinary shares B of £0.001 each	146,704	-	171,146	-
Ordinary shares C of £1.00 each	15,000	15	20,000	20
Ordinary shares D of £0.001 each	897,358	-	-	-
Shares classified within equity	<u>7,168,947</u>	<u>260</u>	<u>1,036,335</u>	<u>54</u>

Shares classified as debt:

	2021	2021	2020	2020
	No.	£'000	No.	£'000
Preference shares of £0.0005 each	8,780,226	4	39,339,578	20
Shares classified within debt	<u>8,780,226</u>	<u>4</u>	<u>39,339,578</u>	<u>20</u>

As part of the Group's refinancing during the year, the company repurchased a number of ordinary shares which it either cancelled or reissued. It also issued a number of new ordinary shares. In addition, the company repurchased 30,559,352 preference shares from shareholders along with related accrued dividend and cancelled those shares. This repurchase gave rise to capital contribution as detailed later in this note.

Details of the share capital in issue at the period end are as follows:

Ordinary A1

Every shareholder who holds one or more A1 ordinary shares is entitled to receive notice of and to attend and vote at general meetings of the company. Dividend shall be distributed according to the number of shares held by the relevant shareholder at the relevant time provided that no dividends will be paid unless present shareholders have received the preference dividend. Rights to return of the capital, ranking after the payment to the preference shareholders a sum equal to the subscription price on each preference share held by them. A1 ordinary shares are not redeemable.

Ordinary A2

Every shareholder who holds one or more A2 ordinary shares is not entitled to receive notice of or to attend and vote at general meetings of the company. Dividend shall be distributed according to the number of shares held by the relevant shareholder at the relevant time provided that no dividends will be paid unless present shareholders have received the preference dividend. Rights to return of the capital, ranking after the payment to the preference shareholders a sum equal to the subscription price on each preference share held by them. A2 ordinary shares are not redeemable.

Ordinary B

Every shareholder who holds one or more B ordinary shares is not entitled to receive notice of or to attend and vote at general meetings of the company. Dividend shall be distributed according to the number of shares held by the relevant shareholder at the relevant time provided that no dividends will be paid unless present shareholders have received the preference dividend. Rights to return of the capital, ranking after the payment to the preference shareholders a sum equal to the subscription price on each preference share held by them. B ordinary shares are not redeemable.

Notes to the financial statements

for the year ended 31 October 2021 (continued)

19. Equity and reserves (continued)

Ordinary C

Every shareholder who holds one or more C ordinary shares is entitled to receive notice of and to attend and vote at general meetings of the company. Dividend shall be distributed according to the number of shares held by the relevant shareholder at the relevant time provided that no dividends will be paid unless present shareholders have received the preference dividend. Rights to return of the capital, ranking after the payment to the preference shareholders a sum equal to the subscription price on each preference share held by them. A1 ordinary shares are not redeemable.

Ordinary D

Every shareholder who holds one or more D ordinary shares is not entitled to receive notice of or to attend and vote at general meetings of the company. Dividend shall be distributed according to the number of shares held by the relevant shareholder at the relevant time provided that no dividends will be paid unless present shareholders have received the preference dividend. Rights to return of the capital, ranking after the payment to the preference shareholders a sum equal to the subscription price on each preference share held by them. D ordinary shares are not redeemable.

Preference shares

Every shareholder who holds one or more preference shares is not entitled to receive notice of or to attend and vote at general meetings of the company. The preference shareholders shall be entitled to the preference dividend. Any such dividend shall be distributed to the preference shareholder in satisfaction of any accrued preference dividend. The right to the preference dividend has priority over any payment by way of dividends or other distributions to the holders of any other class of shares. Rights to a return of the capital rank above any payment distributed amongst the ordinary shareholders. Preference shareholder shall be paid a sum equal to the subscription price on each preference share held by them, together with the sum equal to any accrued/unpaid dividend. The preference shares are redeemable on the earlier of 9th July 2028 and the sale, asset sale or listing of the business unless otherwise directed by the majority shareholders of Ordinary A shares. There is no premium on redemption.

Share premium

The share premium account represents the total value of the premium received on the issue of shares over and above the nominal value of each share.

Capital contribution reserve

The capital contribution reserve account represents the total value of the preference shares and accrued dividend, consider to be debt-like for accounting purposes, purchased by the company at a nominal value. As the purchase was from a related party, the gain made by the company on the purchase is considered to be a capital contribution. It also includes the value of shares repurchased by the company and subsequently reissued.

In addition, during the year, £19.7m of loan notes issued by Bucharest Holdco Limited on 9th July 2018 along with accrued interest were released in consideration for the issue of deferred shares in the capital of that company. The holders of this share capital do not have any rights or access in respect to Bucharest Holdco Limited other than return of capital rights on assets over £1bn. The Directors therefore consider that the release of the loan notes was a debt for equity swap with related parties and therefore no gain or loss was recognised, should be treated as a capital contribution and that no non-controlling interest disclosures are required as the fair value of the non-controlling interest in considered to be £nil.

Capital redemption reserve

The capital redemption reserve account represents shares repurchased by the company and subsequently cancelled.

Notes to the financial statements**for the year ended 31 October 2021** (continued)**19. Equity and reserves (continued)****Treasury shares reserve**

The treasury shares reserve represents the net of the purchase and resale of share capital in the company adjustments.

Profit and loss account

The profit and loss account represents cumulative profit and losses net of dividends paid and other adjustments.

20. Financial instruments

Carrying amount of financial instruments:

The carrying amounts of the financial assets and liabilities include:

	2021 £'000	2020 £'000
Assets measured at amortised cost	22,391	22,244
Liabilities measured at amortised cost	(125,411)	(182,583)
Forward foreign exchange contracts:		
Liabilities measured at fair value through profit or loss	<u>7</u>	<u>46</u>

The above carrying amounts are equal to their fair values.

Financial instruments measured at fair value:

Derivative financial instruments:

The fair value of forward exchange contracts at the balance sheet date are determined by reference to their market values, which are provided by a third party.

21. Commitments under operating leases

At 31 October, the Group had commitments under non-cancellable operating leases as set out below.

	Land & buildings	
	2021 £'000	2020 £'000
Operating leases which expire:		
Within 1 year	408	198
Within 2 to 5 years	1,691	653
After more than 5 years	1,534	-
	<u>3,633</u>	<u>851</u>

Notes to the financial statements

for the year ended 31 October 2021 (continued)

22. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with Group undertakings where 100% of the voting rights are controlled within the Group.

During the year, the Company incurred costs of £700k to Duke Street LLP for services provided (2020: £830k). At the year end, the outstanding balance owed to Duke Street LLP was £175k (2020: £655k)

23. Pension costs

The Group offers a salary sacrifice pension contribution to all eligible employees. The pension contributions that were charged to the income statement for the year were £155,000 (2020: £229,000). As at 31 October 2021 contributions due to the pension administrator equated to £22,000 (2020: £25,000).

24. Commitments

- The Group has entered into a Guarantee Bond Indemnity Liability to DB Vertrieb GmbH for a maximum of €180,000.
- The Group has entered into a Travel Organiser's Bond in favour of ABTOT for a maximum of £1,219,000.
- The Group has entered into a Stand-by Letter of Credit in favour of Rail Europe for a maximum of £25,000.
- The Group has entered into Seller of Travel Surety Bonds with the State of California for a maximum of USD 100,000.
- The Group has entered into Seller of Travel Surety Bonds with the State of Florida for a maximum of USD 25,000.

25. Ultimate parent Company and controlling party

The Directors consider the ultimate controlling party of the Company to be Duke Street LLP.

This is largest group in which the results of the Company and its subsidiaries are consolidated.

The consolidated statements of these entities are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.