

Company registration number

11399476

BUCHAREST HOLDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2020

Company Information

Directors:	P Liney D Riley
Registered office:	Saviour House 9 St Saviourgate York YO1 8NL
Company Registration Number:	11399476
Auditor:	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Contents	Page
Strategic report	1
Directors' report	3
Directors' responsibilities statement	6
Independent auditor's report to the members of Bucharest Holdco Limited	7
Income statement	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13

Strategic report

for the year ended 31 October 2020

The Directors present their strategic report of the Company for the year ended 31 October 2020.

Review of the business

The principal activity of the Company is that of an intermediate 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.

Within the year, the operating profit amounted to £1,000 (prior period : £355,000).

The loss after taxation amounted to £444,000 (prior period profit: £193,000). The Company has a net assets position at the year-end of £40,077,000 (prior period: £40,521,000).

Principal risks and uncertainties

Foreign exchange

The Company is exposed to risks in foreign exchange as it reports in GBP but has a loan denominated in USD. However, the risk is mitigated with one of its subsidiaries trading in USD and that the Group historically 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 Company does not apply hedge accounting.

Liquidity risk

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company 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.

Strategic report

for the year ended 31 October 2020 (continued)

Impact of Covid-19 pandemic

From March 2020, 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, and took a number of actions in order to reduce the financial impact upon the business and, to protect our employees and customers including:

- acting on Public Health England guidelines and Foreign Office travel advice, and implemented 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;
- utilising HMRC "time to pay" provisions and, agreed VAT and PAYE deferral arrangements;
- significantly reducing other operational cost and capital expenditure, removing any discretionary spend; and
- following a consultation period, reducing staff numbers by approximately 30% to align with expected with business requirements over the next 12 to 18 months in conjunction with business efficiencies developed during the period.

After the year end, the Group completed a refinancing of the business to ensure that it has sufficient liquidity and resources in order to meet its medium term cashflow requirements. This is discussed further within the Post Balance Sheet Events note of these financial statements.

Signed on behalf of the Directors

D Riley
Director



Approved by the Directors on 29 January 2021

Directors' report**for the year ended 31 October 2020**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 October 2020.

Results and dividends

The loss after tax for the period, amounted to £444,000 (prior period profit: £193,000). No dividend payments were made during the year (prior period: £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

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 Bucharest Topco Limited with all cash and funding historically managed centrally across 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. Bucharest Topco Limited has provided confirmation to the Directors of the company that these arrangements will continue for the foreseeable future. The Directors have had regard to these confirmations, as well as the overall going concern assessment in respect of the Group headed by Bucharest Topco Limited.

As detailed in the Strategic Report, during the year, trading by the Group was significantly impacted by Covid-19 and the global restriction on travel and tourism with the Group taking a number of measures to mitigate the impact.

Alongside these measures, the Group also prepared a number of forecast scenarios as part of planning for the future needs of the Group including financial resources, headcount requirements and capital expenditure. These forecasts are based on assumptions regarding restrictions at a geography level which may impact a customer's ability to travel along with the current and projected level of customer bookings. In common with all other businesses operating in the travel sector, the future level and timing of passenger activity is highly uncertain.

The Directors acknowledge that the future performance of the Group will be highly dependent on the changes in timing, scope and nature of travel restrictions between countries and within countries which impacts the ability of customers to travel. Furthermore, this is expected to impact customer sentiment to travel which will inevitably impact both the level and timing of customer bookings. The Directors recognise that these factors are to a large extent outside the control of the Group. In the event that the future level of passenger bookings and travel is lower than anticipated, the Group may need to undertake further mitigating actions including seeking additional funding to ensure that there is no breach of banking covenants. The Directors recognise that these matters represent a material uncertainty which may cast significant doubt over the ability of the Group, and the Company, to continue as a going concern and its ability to realise its assets and liabilities in the ordinary course of business.

After the year end, the Group completed a refinancing of the business using its forecast scenarios including a reasonable worse case scenario around reductions in the extent and timing of future passenger booking and travel activity. The refinancing is discussed further within the Post Balance Sheet Events note within these financial statements.

Directors' report

for the year ended 31 October 2020 (continued)

Going concern (continued)

The Directors believe that, with the funding in place post year end, the Group has sufficient liquidity and resources in order to meet its medium term cashflow requirements in a reasonable worse case scenario, and that the Group and Company should have sufficient funds to meet liabilities as they fall due throughout the forecast period which goes beyond 2022.

The Directors are also confident that, should there be a deterioration beyond the reasonable worse case scenario, that the Group will continue to have the support of its investors, lenders and industry bodies in order to continue as a going concern under those circumstances.

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.

Directors

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

P Liney

D Riley

Political contributions

No political contributions were made in the year (prior period: £nil).

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 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.

Directors' report

for the year ended 31 October 2020 (continued)

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.

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



29 January 2021

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

Directors' responsibilities statement
for the year ended 31 October 2020

The Directors are responsible for preparing the 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 (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

for the year ended 31 October 2020

Opinion

We have audited the financial statements of Bucharest Holdco Limited ("the Company") for the year ended 31 October 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2020 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to note 2 to the financial statements, which indicates the Directors' considerations over going concern including the potential impact of the COVID-19 pandemic on the Group, upon which the going concern of the Company is dependent. In the event that future travel restrictions impact the ability and sentiment for customers to travel, customer bookings could be adversely impacted and the Group may need to undertake further mitigating actions including seeking additional funding to ensure that there is no breach of banking covenants. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

for the year ended 31 October 2020 (continued)

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

for the year ended 31 October 2020 (continued)

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

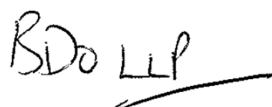
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Paul Davies (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds, UK
29 January 2021

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

Income statement**for the year ended 31 October 2020**

	Note	Year ended 2020 £'000	16 month period ended 2019 £'000
Administrative expenses		-	(5)
Other operating income		1	360
Operating profit		<u>1</u>	<u>355</u>
Interest receivable and similar income	6	2,968	3,449
Interest payable and similar expenses	7	(3,413)	(3,611)
(Loss)/ Profit before taxation		<u>(444)</u>	<u>193</u>
Tax on (loss)/ profit on ordinary activities	8	-	-
(Loss)/ Profit after tax for the year/ period		<u>(444)</u>	<u>193</u>

The Company has no other comprehensive income/(expense) other than the results for the year/period as stated above.

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

Statement of financial position**as at 31 October 2020**

	Note	2020 £'000	2019 £'000
Non-current assets			
Investments	9	40,273	40,273
		<u>40,273</u>	<u>40,273</u>
Current assets			
Trade and other receivables	10	37,815	35,042
Cash and bank balances		-	-
		<u>37,815</u>	<u>35,042</u>
Current liabilities			
Trade and other payables	11	(7,215)	(3,804)
		<u>(7,215)</u>	<u>(3,804)</u>
Net current assets		<u>30,600</u>	<u>31,238</u>
Total assets less current liabilities		70,873	71,511
Liabilities - amounts falling due after more than one year			
Loan Notes	12	(30,410)	(30,410)
Deferred consideration	13	(386)	(580)
Net assets		<u>40,077</u>	<u>40,521</u>
Equity			
Called up share capital	14	403	403
Share premium		39,925	39,925
Profit and loss account		(251)	193
Equity attributable to owners of the Company		<u>40,077</u>	<u>40,521</u>

The financial statements on pages 10 to 22 were approved by the board of Directors on 29 January 2020 and signed on its behalf by:



D Riley
Director

Company Registration Number: 11399476

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

Statement of changes in equity
for the year ended 31 October 2020

	Called up share capital <i>£'000</i>	Share premium <i>£'000</i>	Profit and loss account <i>£'000</i>	Total <i>£'000</i>
Balance at 6 June 2018	-	-	-	-
Issue of share capital	403	39,925	-	40,328
Profit for the period	-	-	193	193
Total changes in equity	403	39,925	193	40,521
Balance at 31 October 2019	403	39,925	193	40,521
Issue of share capital	-	-	-	-
Loss for the year	-	-	(444)	(444)
Total changes in equity	-	-	(444)	(444)
Balance at 31 October 2020	403	39,925	(251)	40,077

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

Notes to the financial statements

for the year ended 31 October 2020

1. General information

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

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

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 periods presented unless otherwise stated.

Basis of accounting

These 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. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Bucharest Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bucharest Topco Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Bucharest Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company is a wholly owned subsidiary of Bucharest Topco Limited and therefore the company has also taken advantage of the exemption contained in FRS 102 section 33 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group.

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

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

Notes to the financial statements**for the year ended 31 October 2020** (continued)**2. Accounting policies** (continued)**Basis of accounting** (continued)

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 financial statements.

Measurement convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

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 Bucharest Topco Limited with all cash and funding historically managed centrally across 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. Bucharest Topco Limited has provided confirmation to the Directors of the company that these arrangements will continue for the foreseeable future. The Directors have had regard to these confirmations, as well as the overall going concern assessment in respect of the Group headed by Bucharest Topco Limited.

As detailed in the Strategic Report, during the year, trading by the Group was significantly impacted by Covid-19 and the global restriction on travel and tourism with the Group taking a number of measures to mitigate the impact.

Alongside these measures, the Group also prepared a number of forecast scenarios as part of planning for the future needs of the Group including financial resources, headcount requirements and capital expenditure. These forecasts are based on assumptions regarding restrictions at a geography level which may impact a customer's ability to travel along with the current and projected level of customer bookings. In common with all other businesses operating in the travel sector, the future level and timing of passenger activity is highly uncertain.

The Directors acknowledge that the future performance of the Group will be highly dependent on the changes in timing, scope and nature of travel restrictions between countries and within countries which impacts the ability of customers to travel. Furthermore, this is expected to impact customer sentiment to travel which will inevitably impact both the level and timing of customer bookings. The Directors recognise that these factors are to a large extent outside the control of the Group. In the event that the future level of passenger bookings and travel is lower than anticipated, the Group may need to undertake further mitigating actions including seeking additional funding to ensure that there is no breach of banking covenants. The Directors recognise that these matters represent a material uncertainty which may cast significant doubt over the ability of the Group, and the Company, to continue as a going concern and its ability to realise its assets and liabilities in the ordinary course of business.

After the year end, the Group completed a refinancing of the business using its forecast scenarios including a reasonable worse case scenario around reductions in the extent and timing of future passenger booking and travel activity. The refinancing is discussed further within the Post Balance Sheet Events note within these financial statements.

Notes to the financial statements**for the year ended 31 October 2020** (continued)**2. Accounting policies** (continued)**Going concern** (continued)

The Directors believe that, with the funding in place post year end, the Group has sufficient liquidity and resources in order to meet its medium term cashflow requirements in a reasonable worse case scenario, and that the Group and Company should have sufficient funds to meet liabilities as they fall due throughout the forecast period which goes beyond 2022.

The Directors are also confident that, should there be a deterioration beyond the reasonable worse case scenario, that the Group will continue to have the support of its investors, lenders and industry bodies in order to continue as a going concern under those circumstances.

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.

Foreign currency

Transactions in foreign currencies are translated to the 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.

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.

Notes to the financial statements**for the year ended 31 October 2020** (continued)**2. Accounting policies** (continued)**Taxation**

The charge for taxation is based on the loss 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 are recorded in the period in which they are approved or paid, whichever is earliest.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

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.

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

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the financial statements**for the year ended 31 October 2020** (continued)**3. Profit before tax**

	Year ended	16 month period ended
	2020	2019
	£'000	£'000
Loss before tax is stated after crediting:		
Profit on foreign exchange transactions	<u>(1)</u>	<u>(360)</u>

4. Auditor's remuneration

Fees payable to BDO LLP for the audit of the Company's accounts were £5k (prior period: £5k).

Audit and other service fees in relation to these financial statements were borne by another group company.

No fees were payable to BDO LLP for non-audit services to the Company.

5. Directors' remuneration

Director's remuneration was borne by another group company.

The company has had no employees in the year.

6. Interest receivable and similar income

	Year ended	16 month period ended
	2020	2019
	£'000	£'000
Interest receivable on intercompany loans	2,968	3,449
	<u>2,968</u>	<u>3,449</u>

7. Interest payable and similar expenses

	Year ended	16 month period ended
	2020	2019
	£'000	£'000
Loan note interest	3,413	3,611
	<u>3,413</u>	<u>3,611</u>

Notes to the financial statements**for the year ended 31 October 2020** (continued)**8. Tax on profit**

	Year ended 2020 £'000	16 month period ended 2019 £'000
(a) Analysis of charge/(credit) in the year/period		
Current tax		
In respect of the year/period:		
Current tax charge/(credit) for the year/period	-	-
Total current tax	-	-
Total tax per income statement	-	-

UK Corporation tax is calculated at 19% (prior period: 19%) of the estimated assessable (loss)/ profit for the year/period.

(b) Factors affecting current tax credit

The charge/ (credit) for the year/period can be reconciled to the income statement as follows:

	Year ended 2020 £'000	16 month period ended 2019 £'000
(Loss)/ Profit before taxation	(444)	193
Tax at the UK corporation rate of 19% (prior period: 19%)	(84)	37
Effects of:		
Expenses not deductible in determining taxable (loss)/ profit	648	35
Group relief not paid for	(564)	(72)
Tax charge/ (credit) for the year/ period	-	-

9. Fixed asset Investments

	2020 £'000	2019 £'000
Share in group undertaking:		
Cost and net book value	40,273	40,273

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 therefore no impairment is required.

Notes to the financial statements**for the year ended 31 October 2020** (continued)**9. Fixed asset Investments** (continued)

At the end of the period, the Company had the following subsidiary undertakings:

Company	Country of registration of incorporation	Principle activity	Class	Shares held
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

All of the companies with the exception of Holidays By Rail Limited, 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. Holidays By Rail Limited is registered at Union Suite, The Union Buildings, 51-59 Rose Lane, Norwich, NR1 1BY.

Notes to the financial statements**for the year ended 31 October 2020** (continued)**10. Trade and other receivables**

	2020 £'000	2019 £'000
Amounts owed by group undertakings	37,815	34,994
Prepayments and accrued income	-	48
	<u>37,815</u>	<u>35,042</u>

The amounts owed by certain group undertakings are subject to interest at 10% per annum and are repayable on demand.

11. Trade and other payables

	2020 £'000	2019 £'000
Accruals	7,022	3,611
Deferred consideration	193	193
	<u>7,215</u>	<u>3,804</u>

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

	2020 £'000	2019 £'000
Loans Notes	30,410	30,410
	<u>30,410</u>	<u>30,410</u>

Terms and repayment schedule:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020 £'000
Loan Notes - issued 9th July 2018	GBP	10%	2028	At maturity	26,226
Loan Notes - issued 13th August 2019	USD	10%	2029	At maturity	4,184
					<u>30,410</u>

Notes to the financial statements**for the year ended 31 October 2020** (continued)**13. Deferred consideration - amounts falling due after more than one year**

	2020 £'000	2019 £'000
Deferred consideration	386	580
	<u>386</u>	<u>580</u>

14. Equity and reserves**Called up share capital**

Allotted, authorised, called up and fully paid:

	2020 No.	2020 £'000	2019 No.	2019 £'000
Ordinary shares of £0.01 each	<u>40,328,643</u>	<u>403</u>	<u>40,328,643</u>	<u>403</u>

The holders of ordinary shares are entitled to received dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

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.

Profit and loss account

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

15. 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.

There were no related party transactions which fall outside the Bucharest Topco Limited structure.

16. Ultimate parent company and controlling party

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

The smallest and largest group in which the results of the Company are consolidated is that headed by Bucharest Topco Limited, incorporated in England and Wales.

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

Notes to the financial statements

for the year ended 31 October 2020 (continued)

17. Post balance sheet events

On 19 November 2020, the Group completed a refinancing in order to ensure that the Group is able to maintain sufficient liquidity in order to meet its medium term cashflow requirements. The refinance was supported by the Group's existing investors and lenders on terms in line with existing facilities and borrowings.

The refinance was composed of a combination of issuing new share capital, reducing existing debt, swapping debt for new issued share capital, long term deferral of interest due and issuing new loan notes.

In total, the impact to the Group was to receive £9.9m in additional cash funding, net of fees and costs, along with long term deferral of £2.1m of interest on its bank loans and a reduction in overall net debt of the Group of £37.1m.

In addition, the Group is able to defer a further £3.4m of future interest due on its bank terms loans.