

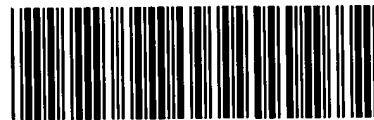
Company registration number: 08994196

**Distant Journeys Limited
Trading as Distant Journeys Ltd**

Financial statements

31 August 2023

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Distant Journeys Limited

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Distant Journeys Limited

Directors and other information

Directors	Mr Andrew Laycock Mr Richard Hanson Mr Simon Whittle
Company number	08994196
Registered office	8 Hattersley Court Ormskirk Lancashire L39 2AY
Business address	8 Hattersley Court Ormskirk Lancashire L39 2AY
Auditor	Clarke Broome & Fleming 223 Church Street Blackpool Lancashire FY1 3PB
Bankers	Virgin Money 44 Fishergate Preston PR1 8BH

Distant Journeys Limited

Strategic report Year ended 31 August 2023

Principal Activities

The principal activity is the provision of escorted tours to long haul destinations.

Review of the Business

This is the ninth year of trading as a specialist tour operator of escorted tours to Australia, New Zealand, South Africa, Vietnam & Cambodia, Japan, Sri Lanka, India and Canada. The directors report that progress in the re-opening of international borders has been completed in all the destinations we feature.

Review of 31 August 2023 Results

Turnover in the Year was £22,467,899 (31 August 2022 - £142,048) an increase due to the re-opening of tour operations. The increase in recruitment of new staff and a vastly increased marketing budget to drive forward sales for the 2023/24 season, the impact of covid and higher fuel prices as a result of the war in Ukraine has resulted in an operating profit for the year of £415,377 (31 August 2022 loss - £764,446).

Review of Developments and Future Prospects

With a significant database of past travellers, the company is achieving excellent levels of repeat bookings from customers, who are booking holidays to the expanding destination portfolio offered by the company. The product development team has identified and developed several new itineraries, which will be introduced in the 2024 and 2025 financial years. Consumers are seeking increasingly experiential holidays and the tours are designed to allow customers to immerse themselves in the history, culture and scenery of the countries they are visiting. The future prospects of the business look encouraging with bookings at record levels. The management team are confident that tour pricing and cost control are both manageable despite upward movements in costs by airlines and ground handlers.

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which could impact on the company's performance. Consumer demand for travel has remained robust despite it being a discretionary expenditure. The company provides tours that a customer could not dynamically package themselves for a lower price due to our ability to negotiate volume discounts with suppliers. This combined with high levels of service gives the company a defensible product positioning. There will always be geopolitical risk but as we increase the number of destinations we operate to, the risk becomes more balanced.

Foreign Currency

All receivables are in pounds sterling with most payables in foreign currencies. As a result, the company is subject to foreign currency exchange risk due to exchange rate movements. The company seeks to reduce the risk by entering into forward exchange contracts and other hedging instruments.

Distant Journeys Limited

Strategic report (continued) Year ended 31 August 2023

Key Performance Indicators

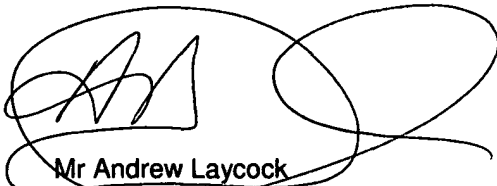
The company established key performance indicators to measure the progress of the company in achieving both its business objectives and strategy. The executive team reviews performance against these at monthly meetings. The Covid-19 pandemic has naturally had a significant impact in these key performance indicators. The indicators are:

	2023	2022
Passengers travelled	3,556	-
Passengers booked	5,628	2,355
Gross margins	19.3%	-

Competitors

The company continues to offer high quality tours and reviews its range of tours and destinations to meet future customer demand. Tours are designed to offer customers unique selling points and superior experiences.

This report was approved by the board of directors on 6 February 2024 and signed on behalf of the board by:



Mr Andrew Laycock
Director

Distant Journeys Limited

Directors report Year ended 31 August 2023

The directors present their report and the financial statements of the company for the year ended 31 August 2023.

Directors

The directors who served the company during the year were as follows:

Mr Andrew Laycock
Mr Richard Hanson
Mr Simon Whittle

Dividends

The board have decided to pay a dividend of £450,000 for the current year.

Future developments

With the world re-opening for travel after Covid, the directors are able to confirm the number of passengers currently due to travel in the 2023/24 season are 5,668.

Financial instruments

The company has prepared a Statement of financial position under FRS102 in order to show fair value of its assets and liabilities which are subject to foreign exchange contracts.

The management objective is to cover tour costs by entering into currency contracts at the price costed for each tour, this effectively mitigates the risk of currency fluctuations in the market.

Disclosure of information in the strategic report.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 it must be stated in the Directors Report that it has been done. This includes information that would have been included in the business review and the principal risks and uncertainties.

Distant Journeys Limited

Directors report (continued) Year ended 31 August 2023

Directors responsibilities statement

The directors are responsible for preparing the strategic report, 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 year. Under that law the directors have elected to prepare 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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

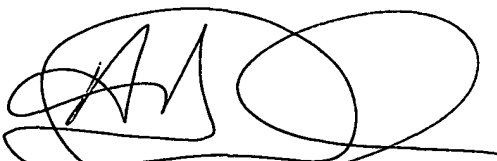
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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 auditor is aware of that information.

This report was approved by the board of directors on 6 February 2024 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'A Laycock', enclosed within a large, loopy circular scribble.

Mr Andrew Laycock
Director

Distant Journeys Limited

Independent auditor's report to the members of Distant Journeys Limited Year ended 31 August 2023

Opinion

We have audited the financial statements of Distant Journeys Limited (the 'company') for the year ended 31 August 2023 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 FRS 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 August 2023 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.

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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Distant Journeys Limited

Independent auditor's report to the members of Distant Journeys Limited (continued) Year ended 31 August 2023

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has 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 or the directors' report.

We have nothing to report in respect of the following matters where 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 the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

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:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Distant Journeys Limited

Independent auditor's report to the members of Distant Journeys Limited (continued) Year ended 31 August 2023

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

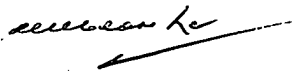
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditors 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.

Distant Journeys Limited

**Independent auditor's report to the members of
Distant Journeys Limited (continued)
Year ended 31 August 2023**



Martin V Clarke (Senior Statutory Auditor)

For and on behalf of
Clarke Broome & Fleming
Chartered Certified Accountants and Registered Auditors
223 Church Street
Blackpool
Lancashire
FY1 3PB

6 February 2024

Distant Journeys Limited

**Statement of comprehensive income
Year ended 31 August 2023**

	Note	2023 £	2022 £
Turnover	3	22,467,899	142,048
Cost of sales		(18,124,922)	(2,072)
Gross profit		<u>4,342,977</u>	<u>139,976</u>
Administrative expenses		(3,927,600)	(904,422)
Operating profit/(loss)	4	<u>415,377</u>	<u>(764,446)</u>
(Loss)/gain on financial assets at fair value through profit or loss		(27,020)	27,020
Other interest receivable and similar income	7	352,407	14,284
Interest payable and similar expenses	8	(849,626)	-
Loss before taxation		<u>(108,862)</u>	<u>(723,142)</u>
Tax on loss	9	(8,291)	3,638
Loss for the financial year and total comprehensive income		<u><u>(117,153)</u></u>	<u><u>(719,504)</u></u>

All the activities of the company are from continuing operations.

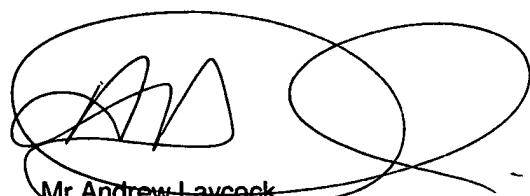
The notes on pages 14 to 27 form part of these financial statements.

Distant Journeys Limited

Statement of financial position 31 August 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11	<u>640,278</u>		<u>309,408</u>	
			640,278		309,408
Current assets					
Debtors	12	2,660,404		1,984,913	
Investments	13	-		900,000	
Cash at bank and in hand		<u>12,859,774</u>		<u>8,189,386</u>	
		15,520,178		11,074,299	
Creditors: amounts falling due within one year	14	<u>(14,281,546)</u>		<u>(8,945,935)</u>	
Net current assets			1,238,632		2,128,364
Total assets less current liabilities			<u>1,878,910</u>		<u>2,437,772</u>
Provisions for liabilities	15		(8,291)		-
Net assets			<u><u>1,870,619</u></u>		<u><u>2,437,772</u></u>
Capital and reserves					
Called up share capital	19		30,000		30,000
Profit and loss account	20		<u>1,840,619</u>		<u>2,407,772</u>
Shareholders funds			<u><u>1,870,619</u></u>		<u><u>2,437,772</u></u>

These financial statements were approved by the board of directors and authorised for issue on 6 February 2024, and are signed on behalf of the board by:


Mr Andrew Laycock
Director

Company registration number: 08994196

The notes on pages 14 to 27 form part of these financial statements.

Distant Journeys Limited

**Statement of changes in equity
Year ended 31 August 2023**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 September 2021	30,000	3,127,276	3,157,276
Loss for the year		(719,504)	(719,504)
Total comprehensive income for the year	-	(719,504)	(719,504)
At 31 August 2022 and 1 September 2022	30,000	2,407,772	2,437,772
Loss for the year		(117,153)	(117,153)
Total comprehensive income for the year	-	(117,153)	(117,153)
Dividends paid and payable		(450,000)	(450,000)
Total investments by and distributions to owners	-	(450,000)	(450,000)
At 31 August 2023	30,000	1,840,619	1,870,619

Distant Journeys Limited

**Statement of cash flows
Year ended 31 August 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	21	5,007,187	4,043,368
Interest paid		(849,626)	-
Interest received		352,407	14,284
Tax refund		82,725	-
Net cash from operating activities		<u>4,592,693</u>	<u>4,057,652</u>
Cash flows from investing activities			
Purchase of tangible assets		(372,305)	(43,785)
Other investments cashed		900,000	2,300,000
Net cash from investing activities		<u>527,695</u>	<u>2,256,215</u>
Cash flows from financing activities			
Equity dividends paid		(450,000)	-
Net cash used in financing activities		<u>(450,000)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		4,670,388	6,313,867
Cash and cash equivalents at beginning of year		8,189,386	1,875,519
Cash and cash equivalents at end of year		<u>12,859,774</u>	<u>8,189,386</u>

Distant Journeys Limited

Notes to the financial statements Year ended 31 August 2023

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

2. Accounting policies

Basis of preparation

Distant Journeys Ltd is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information page of these financial statements. The nature of the company's operations and principal activities are the provision of escorted tours to overseas destinations.

The financial statements have been prepared in accordance with the applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, except for the revaluation of financial instruments and in sterling which is the functional currency of the company.

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

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying accounting policies that have had the most significant on amounts recognised in the financial statements:-

Forward Exchange Contracts

Under Financial Reporting Standard 102, the company has recognised fair value on its foreign exchange contracts, this is a comparison between the contract value and what the cost would have been at the year end, the resulting loss has been taken to the comprehensive income statement.

The key assumptions concerning the future and other key sources of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:-

Cancellation of tours due to conditions beyond the control of the company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for tours departing during the accounting period, net of discounts and Value Added Tax.

Revenue from the sale of tours is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on departure of the tour); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Distant Journeys Limited

Notes to the financial statements (continued) **Year ended 31 August 2023**

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Freehold property	- 1%	straight line
Equipment	- 33%	straight line
Motor vehicles	- 20%	reducing balance
Fixtures and fittings	- 15%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Distant Journeys Limited

Notes to the financial statements (continued) Year ended 31 August 2023

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Distant Journeys Limited

Notes to the financial statements (continued) **Year ended 31 August 2023**

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

The company does not currently apply hedge accounting for foreign exchange derivatives.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

3. Turnover

Turnover arises from:

	2023	2022
	£	£
Sale of tours	22,432,752	29,479
Commissions	16,820	7,166
Other income	18,327	105,403
	<u>22,467,899</u>	<u>142,048</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Distant Journeys Limited

Notes to the financial statements (continued) **Year ended 31 August 2023**

4. Operating loss

Operating loss is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible assets	41,435	8,658
Foreign exchange differences	242,743	(17,451)
Fees payable for the audit of the financial statements	12,000	9,000
	<u> </u>	<u> </u>

5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
Distribution staff	12	5
Administrative staff	13	9
	<u> </u>	<u> </u>
	<u>25</u>	<u>14</u>

The aggregate payroll costs incurred during the year were:

	2023	2022
	£	£
Wages and salaries	699,181	317,315
Social security costs	60,413	27,464
Other pension costs	307,005	4,046
	<u> </u>	<u> </u>
	<u>1,066,599</u>	<u>348,825</u>

6. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	93,401	85,994
Company contributions to pension schemes in respect of qualifying services	120,000	-
	<u> </u>	<u> </u>
	<u>213,401</u>	<u>85,994</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023	2022
	Number	Number
Defined contribution plans	3	3
	<u> </u>	<u> </u>

Distant Journeys Limited

Notes to the financial statements (continued)
Year ended 31 August 2023

7. Other interest receivable and similar income

	2023	2022
	£	£
Bank deposits	352,407	14,284
Gain on fair value adjustment of financial assets at fair value through profit or loss	(27,020)	27,020
	<u>325,387</u>	<u>41,304</u>

8. Interest payable and similar expenses

	2023	2022
	£	£
Loss on fair value adjustment of financial assets at fair value through profit or loss	(849,626)	-
	<u></u>	<u></u>

Distant Journeys Limited

Notes to the financial statements (continued) Year ended 31 August 2023

9. Tax on loss

Major components of tax expense/income

	2023 £	2022 £
Deferred tax:		
Origination and reversal of timing differences	8,291	(3,638)
Tax on loss	<u>8,291</u>	<u>(3,638)</u>

Reconciliation of tax expense/income

The tax assessed on the loss for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%).

	2023 £	2022 £
Loss before taxation	<u>(108,862)</u>	<u>(723,142)</u>
Loss multiplied by rate of tax	(20,684)	(137,397)
Effect of expenses not deductible for tax purposes	21	40
Effect of capital allowances and depreciation	(64,940)	(7,121)
Utilisation of tax losses	(100,271)	-
Unrelieved tax losses	-	149,612
Effect of derivative forward contracts	188,611	(5,134)
Tax rate adjustment	(2,737)	-
Deferred tax	<u>8,291</u>	<u>(3,638)</u>
Tax on loss	<u>8,291</u>	<u>(3,638)</u>

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

10. Dividends

Equity dividends

	2023 £	2022 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>450,000</u>	<u>-</u>

Distant Journeys Limited

Notes to the financial statements (continued)
Year ended 31 August 2023

11. Tangible assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2022	283,153	36,389	16,534	35,945	372,021
Additions	30,000	15,521	3,552	323,232	372,305
Disposals	-	(8,551)	-	-	(8,551)
At 31 August 2023	<u>313,153</u>	<u>43,359</u>	<u>20,086</u>	<u>359,177</u>	<u>735,775</u>
Depreciation					
At 1 September 2022	19,945	28,061	13,386	1,221	62,613
Charge for the year	2,832	4,971	1,101	32,531	41,435
Disposals	-	(8,551)	-	-	(8,551)
At 31 August 2023	<u>22,777</u>	<u>24,481</u>	<u>14,487</u>	<u>33,752</u>	<u>95,497</u>
Carrying amount					
At 31 August 2023	<u>290,376</u>	<u>18,878</u>	<u>5,599</u>	<u>325,425</u>	<u>640,278</u>
At 31 August 2022	<u>263,208</u>	<u>8,328</u>	<u>3,148</u>	<u>34,724</u>	<u>309,408</u>

12. Debtors

	2023	2022
	£	£
Trade debtors	2,000,551	1,222,589
Prepayments and accrued income	30,738	13,480
Derivative financial assets	-	27,020
Other debtors	629,115	721,824
	<u>2,660,404</u>	<u>1,984,913</u>

13. Investments

	2023	2022
	£	£
Other investments	<u>-</u>	<u>900,000</u>

Distant Journeys Limited

Notes to the financial statements (continued)
Year ended 31 August 2023

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	292,496	388,139
Accruals and deferred income	466,630	106,210
Corporation tax	82,725	-
Social security and other taxes	24,710	8,717
Derivative financial liability (Note 26)	849,626	-
Other creditors	12,565,359	8,442,869
	<u>14,281,546</u>	<u>8,945,935</u>

The other financial liabilities relate to the fair value of foreign exchange contracts used to hedge the foreign exchange risk

15. Provisions

	Deferred tax (note 16)	Total
	£	£
At 1 September 2022	-	-
Additions	8,291	8,291
At 31 August 2023	<u>8,291</u>	<u>8,291</u>

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023	2022
	£	£
Included in provisions (note 15)	8,291	-

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023	2022
	£	£
Accelerated capital allowances	8,291	-

17. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £307,005 (2022: £4,046).

Distant Journeys Limited

Notes to the financial statements (continued)
Year ended 31 August 2023

18. Government grants

	£	£
Grants received or receivable	-	21,759
Released to the profit or loss	-	(21,759)
	<u>-</u>	<u>-</u>
At end of period	<u>-</u>	<u>-</u>

These grants relate to government & council support caused by Covid-19.

19. Called up share capital
Issued, called up and fully paid

	2023		2022	
	No	£	No	£
Ordinary shares of £ 1.00 each	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>

20. Reserves

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

21. Cash generated from operations

	2023	2022
	£	£
Cash flows from operating activities		
Loss for the financial year	(117,153)	(719,504)
Depreciation of tangible assets	41,435	8,658
Gain/(loss) on financial assets at fair value through profit or loss	27,020	(27,020)
Other interest receivable and similar income	(352,407)	(14,284)
Interest payable and similar expenses	849,626	-
Tax on loss	8,291	(3,638)
Accrued expenses/(income)	360,420	77,641
Changes in:		
Trade and other receivables	(702,511)	(1,332,185)
Trade and other payables	4,892,466	6,053,700
Cash generated from operations	<u>5,007,187</u>	<u>4,043,368</u>

Distant Journeys Limited

Notes to the financial statements (continued) Year ended 31 August 2023

22. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash and cash equivalents	8,189,386	4,670,388	12,859,774
Current asset investments	900,000	(900,000)	-
	<u>9,089,386</u>	<u>3,770,388</u>	<u>12,859,774</u>

23. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2023			
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr Richard Hanson	20,000	400,000	(20,000)	400,000
Mr Simon Whittle	75,000	-	(75,000)	-
	<u>95,000</u>	<u>400,000</u>	<u>(95,000)</u>	<u>400,000</u>
	2022			
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr Richard Hanson	-	20,000	-	20,000
Mr Simon Whittle	-	75,000	-	75,000
	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>

Main conditions with Directors advances are repayable within nine months with interest at approved HMRC rates.

Mr Richard Hanson repaid £275,000 on the 14th September 2023.

Distant Journeys Limited

Notes to the financial statements (continued)
Year ended 31 August 2023

24. Related party transactions

Dividends have been paid to the Directors and family members during the year of £450,000.
(2022 - NIL)

Cash investments in Finance 365 Limited (Registered in England & Wales No.08689817) totalling £900,000 at 31st August 2022 have been repaid in the year.

Advances/withdrawals with Finance 365 Limited total £3,100,000.

Compensation has been paid to Finance 365 Limited in the sum of £300,000 in respect of interest paid to Distant Journeys Limited but not earned by Finance 365 Limited.

25. Controlling party

No family or individual member has control of the company.

Distant Journeys Limited

Notes to the financial statements (continued) Year ended 31 August 2023

26. Financial Instruments

(a) The carrying amounts of the company's financial instruments measured at fair value through profit or loss are as follows: -

Financial assets

	2023	2022
	£	£
Measured at fair value through the profit or loss:		
Derivative financial instruments	-	27,020

Financial liabilities

Measured at fair value through the profit or loss:

Derivative financial instruments	849,626	-
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(b) The income, expenses, net gains and net losses attributable to the company's financial instruments are summarised as follows:

	2023	2022
	£	£
Income and expense		
Financial assets measured at fair value through profit or loss:	-	27,020
Financial liabilities measured at fair value through profit or loss:	(849,626)	-
Net gains and losses		
Financial assets measured at fair value through profit or loss:	-	27,020
Financial liabilities measured at fair value through profit or loss:	(849,626)	-

The company uses derivative financial instruments in order to mitigate foreign currency fluctuations from when brochure prices are set and when the customer departs on the foreign holiday. The fair value of which is determined by a third party.

27. Guarantees

The company is now a fully bonded member of The Association of Bonded Travel Organisers Trust Ltd (ABTOT) with two bonds totalling £93,685 which is covered by Accelerant Insurance Europe SA.

Distant Journeys Limited

Notes to the financial statements (continued)
Year ended 31 August 2023

28. Financial Commitments

The company has entered into a contract to acquire 7 Hattersley Court Ormskirk L39 2AY for £295,000.(Deposit paid £30,000 14th June 2023)