Registered No: 01693250

Holiday Extras Limited

Annual report and financial statements
For the Year Ended 31 March 2020

Holiday Extras Limited
Company Information

Directors	A J Britcliffe (resigned 31 August 20) I M Copley (resigned 09 February 21) A E Divers (resigned 30 September 20) H Dove (resigned 09 February 21) S A Hagger (resigned 09 February 21) S P Hagger A B Kemsley (resigned 09 February 21) H J H Loudon (appointed 20 January 20) D C Norris M G Pack A M M Parker (resigned 11 July 2019) M N Paxton K A Wakeman (appointed 01 November 2019) (resigned 28 January 2021)
Registered number	01693250
Registered office	Ashford Road Newingreen Hythe Kent CT21 4JF
Independent auditor	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT
Banker	National Westminster Bank plc 2nd Floor, Turnpike House 123 High Street Crawley West Sussex RH10 1DQ

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For the Year Ended 31 March 2020

Introduction

The directors present their Strategic report on the affairs of Holiday Extras Limited ('the company'), together with the audited financial statements.

The Company is a wholly owned subsidiary of Holiday Extras Investments Limited.

Business review

The company operates in the UK travel and leisure market selling travel ancillary products and services mainly to outbound travellers. On 1st July 2019 the company hived out its insurance and UK based short stay breaks divisions into new companies within the Group to give greater focus on the financial, operational and strategic growth prospects for those entities. Both of these companies are wholly owned subsidiaries of Holiday Extras Investments Ltd.

The results for the Company show a decrease in EBITDA to £7,976,000 (2019: £12,777,000), mainly due to investment in fixed costs, predominantly people, as well as the impact of the Coronavirus pandemic towards the end of the financial year. Profit before tax was £5,495,000 (2019: £6,886,000) for the year with revenue of £270,284,000 (2019: £328,108,000). The company has net assets of £28,532,000 (2019: £23,715,000).

Strategically the Company is well positioned, with an opportunity to deliver even more value to its customers through an optimised, market leading platform, the new Holiday Extras Holiday Assistant (HEHA!), and solid distribution channels with long term partners. New product development initiatives are being accelerated including adding a Travel Currency product and building a holiday transfers product line to further diversify the business offering. This will ensure the business will recover strongly and be more resilient to any future disruption to travel patterns and behaviours.

The Holiday Extras brand and reputation has been a priority throughout the pandemic, as has providing exceptional customer service despite the challenges of mass disruption, cancellations and amendments to customer bookings. The aim is to have the most flexible terms in travel supported by the fastest, smartest and most personal service - giving customers confidence to book.

The Company has a strong culture and a committed team which puts it in a good position to recover from the impact of the pandemic. Staff surveys have shown market leading scores from employees on the businesses response and actions to the pandemic. In addition 80% of all employees said how proud they are to work for the organisation. The senior leadership team made valuable contributions to the business recovery including significant salary reductions throughout 2020. The business is committed to a sustainable future in which all employees can thrive.

Recent government announcements regarding the opening up of international travel in the late Spring 2021 and the high likelihood of a strong travel rebound driven by pent up customer demand, give further confidence in the Company's future.

Principal risks and uncertainties

During the year under review, the company performed well up until the date of government statutory lockdown on 23rd March 2020 due to the COVID-19 global pandemic.

The ancillary travel services, on which the company is reliant, were severely impacted by the pandemic, and the uncertainty caused by the outbreak and, to a lesser extent, the effects of Brexit, have made forecasting events and business performance challenging. Significant levels of scenario running, stress testing and contingency planning have been undertaken since the first lockdown began to ensure the business remains on a solid footing and maintains sufficient levels of capital for its future operations.

The company identified the need for additional funding as a result of the pandemic's impact on its revenues, and this was secured in October 2020 by its parent company, Holiday Extras Investments Ltd. The Group's existing revolving credit facility was extended until 2023, a government CLBILS term loan and revolving credit facility were also agreed for the same period and a capital injection was obtained from its major shareholders. The total refinance increased the Group's available funding by £23m meaning it has sufficient liquidity under its base case forecast to continue in operational existence, will be able to settle its liabilities and be in compliance with its existing covenant requirements. If the recovery is slower than expected further mitigation action would be required in relation to cutting expenditure and/or raising new equity funding or debt and further covenant waivers may be required. Further details regarding a downside scenario are included in the going concern basis of preparation on page 17 and these result in a material uncertainty. The Company's long standing banking partner NatWest has been an ardent and supportive partner since 2015.

These facilities are governed by covenants relating initially to EBITDA and liquidity, and are subject to interest of up to LIBOR + 4%. As well as the new financing and the impact on liquidity the company took assertive action to mitigate risk, reduce cash outflows and to protect jobs and the wider business. VAT payments were deferred, staff were furloughed under the Coronavirus Job Retention Scheme offered by the UK government and contracted hours were reduced throughout the company.

The company was in a robust cash position when the mandated government lockdown began, and efforts to restrict cash outflows while new bookings were limited proved successful. The business is currently exceeding its COVID budget and remains well positioned for a successful recovery following the reopening of the economy after the UK-wide lockdowns.

While the impact and uncertainty caused by the global pandemic has required substantial management focus in recent months, the company continues to monitor the effects of Brexit on the political and economic environment. There are however no current indications of any significant risks posed by Brexit that could affect the company's ongoing trading relationship or future development.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval at company level and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the Company. The Risk and Audit Committee undertake a regular and thorough review of risks presented by the senior team. Robust mitigation plans are in place to reduce their impact.

Principal risks and uncertainties (continued)

The company has identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities:

- Downturn in the UK and European economies leading to a reduction in demand for our products and services
- Any significant damage to reputation or brands
- Loss of, or difficulty in replacing, senior talent
- Natural catastrophe including closure of airspace and restrictions to travel caused by new variants of Covid-19
- Disruption to information technology systems or infrastructure, premises or business processes
- Reliance on key supplier partnerships

The company has developed risk management and contingency planning procedures appropriate for the business so as to mitigate these risks. There are many opportunities for growth in the UK and Europe, through developing the relationships the company has with existing customers and suppliers.

Financial key performance indicators

The company uses a range of performance indicators across different business segments to monitor performance. Of these the following are considered key:

	2020	2019
	£000	£000
Turnover	**270,284**	328,108
Operating Profit	**4,308**	7,840
EBITDA	**7,976**	12,777

Reconciliation of statutory performance measures to alternative performance measures

Operating Profit	**4,308**	7,840
Amortisation of intangible assets, including goodwill	**2,302**	2,655
Depreciation of tangible fixed assets	**797**	816
Share based payments charge	**569**	1,466
EBITDA	**7,976**	12,777

During the year, 539 (2019: 681) full-time and part-time staff were employed by the company, generating an average turnover of £501,000 each (2019: £482,000).

The company prides itself on the way it values its people and measures staff engagement regularly by employee participation in company wide surveys.

Directors' statement of compliance with duty to promote the success of the company

Section 172 of the Companies Act 2006 requires the directors of the company to act in the way that they consider, in good faith, would most likely promote the success of the company for the benefit of its owners and stakeholders.

In doing so section 172 requires a director to have regard (amongst other matters) to:

a) The likely consequences of any decisions in the long-term.
b) The interests of the company's employees.
c) The need to foster the company's business relationships with suppliers, customers and others.
d) The impact of the company's operations on the community and the environment.
e) The desirability of the company maintaining a reputation for high standards of business conduct.
f) The need to act fairly as between members of the company.

As with any other large organisation, the directors of Holiday Extras Ltd delegate authority for the day to day management of the company to the Senior Leadership Team and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the company's activities and make decisions. As a part of those meetings the directors receive information in a range of different formats to ensure that they have regard to section 172 matters when making relevant decisions.

The company's key stakeholders are its workforce, customers, suppliers, bankers, the local communities in which it operates, regulators, and Government agencies. The views of and the impact of the company's activities on those stakeholders are an important consideration for the directors when making relevant decisions.

The directors have set out below some examples of how Holiday Extras Ltd have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty.

Response to COVID-19

With significant uncertainty created by the COVID-19 pandemic, the directors oversaw the company's response with the aim of ensuring the company emerged from the crisis well positioned for continued success, whilst supporting our employees and continuing to deliver for our customers. Actions were taken to preserve cash including the use of furlough, reduction in fixed costs and deferred VAT payments. Due to the high level of cancelled bookings, customers were offered either a voucher, with a three year expiry, or a cash refund. The company has remained in close contact with its bank, Natwest, who provided additional funding up to 2023. Due to our flexi-working policy, employees were already well equipped to work from home and communication was prioritised with regular written updates, videos and drop-in sessions keeping the team engaged and supported.

Directors' statement of compliance with duty to promote the success of the company (continued)

Product development

The company has continued to invest in its product and technological capability, further strengthening its Web and App customer offering. In addition, the company has invested in an enhanced digital customer service.

Future Developments

Despite the impact of the COVID-19 pandemic, the company has continued to focus on technology and product development to facilitate the recovery and return to growth. Alongside this, the company has focused on further digitalising its customer service.

This report was approved by the board on 29 March 2021 and signed on its behalf.

M G [illegible]ack
Director

Registered office:
Ashford Road
Newingreen
Hythe
Kent
CT21 4JF

Holiday Extras Limited
Directors' Report
For the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report, 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 year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and Dividends

The performance of the company is set out in the enclosed financial statements and a review of the results is set out in the strategic report.

The directors do not recommend the payment of a dividend (2019 - £4,000,000).

Directors

The directors who served during the year were:

A J Britcliffe (resigned 31 August 20)
I M Copley (resigned 09 February 21)
A E Divers (resigned 30 September 20)
H Dove (resigned 09 February 21)
S A Hagger (resigned 09 February 21)
S P Hagger
A B Kemsley (resigned 09 February 21)
H J H Loudon (appointed 20 January 20)
D C Norris
M G Pack
A M M Parker (resigned 11 July 2019)
M N Paxton
K A Wakeman (appointed 01 November 2019) (resigned 28 January 2021)

Greenhouse gas emissions, energy consumption and energy efficiency action

The company's energy consumption and greenhouse gas emissions are given in the table below:

Greenhouse Gas Emissions

	2020
UK energy use[1]	
kWh	1,284,898
Associated greenhouse gas emissions[2]	
Tonnes CO2 equivalent	306.323
Intensity Ratio	
Tonnes CO2 Emissions per:	
£1,000 turnover	0.00113
Employee	0.56832

[1]UK energy use covers the provision of ancillary holiday services for the company's customer base. The methodology used was to take the consumption figures from actual billing from the suppliers for electricity for each site and to collate the usage information from receipts and supplier invoices for the purchase of diesel.

[2]Associated greenhouse gas emissions have been calculated using conversion factors from the document; Government GHG reporting conversion factors – 2020.
Electricity – Conversion factor 0.00023314 Tonnes CO2e per Kwh
Diesel – Conversion Factor 0.00025568 Tonnes CO2e per Kwh

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

The company takes seriously its responsibility to the environment, and is committed to minimising its impact on the environment.

This is apparent in the construction of the company's headquarters. Built on a brown-field site, the offices have been constructed with water recycling systems and high-efficiency plant in order to minimise the long-term environmental impact of the building. A tree planting programme has helped enhance the buildings visual impact.

Many actions have been taken to reduce energy consumption in the recent past, since the ESOS programme commenced, for both electricity and fuel;

At the company's headquarters, the TREND heating control system has been upgraded to allow controlled usage between 6am and 8pm. Auto magnetic locks have been fitted to doors to reduce heat loss from the building and all lighting has been upgraded to MODE LED type with sensor and dimmer control fitted. There is an investment programme in place to fit Ground Source Heat pumps to reduce the heating consumption and the use of on site servers has been reduced to two units, with use now being made of the Google Cloud facility.

In order to reduce fuel consumption home working is encouraged and video conferencing has been utilised to reduce business travel. Employees are encourage to car share wherever possible.

Financial instruments

The company finances its operations through various financial instruments comprising: bank balances, trade debtors and trade creditors.

Due to the nature of the financial instruments used by the company during the year there is no exposure to price risk.

The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

The company ensures its liquidity is maintained by entering into short term financial instruments to support operational and other funding requirements. The company's liquidity management process includes projecting cashflows and considering the level of liquid assets.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Employee involvement

The company prides itself on recognising the value of its people and invests in training and development, the working environment and a fun culture to ensure that staff remain skilled, motivated and engaged.

Employees of the company are involved in generating the company's value statement, which underpin its culture, performance management and rewards.

The company is recognised for its focus on wellbeing which is woven into all aspects of working at Holiday Extras. This includes flexible working, benefits and perks, communication, healthy working spaces and events - anything that the company can do to create a happy and healthy workplace.

The company communicates and consults with all employees via regular business briefings, staff forum and its Intranet.

Employment policies

The company's employment policies have been designed to guarantee that everyone is treated in a fair and consistent manner. They have been developed to ensure that everyone is aware of what is expected of him or her and what the employer offers in return.

The company is an equal opportunities employer and is committed to achieving and maintaining a workforce which is representative of the local community in terms of race, colour, nationality, sex, age, sexual orientation, marital status and disability.

In the event of existing staff members becoming disabled, every effort is made to enable them to maintain their present position or to provide appropriate training and employ them in suitable work within another department.

Matters covered in the strategic report

Disclosures in respect of future developments have been included as part of the strategic report.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 29 March 2021 and signed on its behalf.

M C Pack
Director

Registered office:
Ashford Road
Newingreen
Hythe
Kent
CT21 4JF

Independent auditor's report to the shareholders of Holiday Extras Limited

Opinion

We have audited the financial statements of Holiday Extras Limited (the 'company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 March 2020 and of its profit 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 United Kingdom, including the Financial Reporting Council'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 in relation to going concern

We draw attention to note 2 of the financial statements which indicates that the uncertainty over the future impact of COVID-19 and the company's ability to continue as going concern under a severe but plausible downside scenario is dependent on the ability of the company to obtain further covenant waivers as well as ability to raise additional debt and equity funding if necessary. These events and conditions, along with other matters explained in note 2, constitute a material uncertainty related to going concern that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

Strategic report and directors' report (continued)

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement set out on pages 6-10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the shareholders of Holiday Extras Limited (continued)

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.

T. J.

Timothy Rush (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom

Date: 30 March 2021

Holiday Extras Limited
Statement of Comprehensive Income
For the Year Ended 31 March 2020

	Note	2020 £000 Continuing Operations	2020 £000 Discontinued Operations [1]	2020 £000 Total	2019 Restated £000 Continuing Operations	2019 Restated £000 Discontinued Operations [1]	2019 £000 Total
Turnover	4	239,794	30,490	270,284	236,851	91,257	328,108
Cost of sales		(204,251)	(26,532)	(230,783)	(200,816)	(79,303)	(280,119)
Gross profit		35,543	3,958	39,501	36,035	11,954	47,989
Administrative expenses		(35,859)	(2,183)	(38,042)	(34,174)	(8,340)	(42,514)
Other operating income	6	2,936	(87)	2,849	2,454	(89)	2,365
Operating profit	7	2,620	1,688	4,308	4,315	3,525	7,840
Intercompany write off		(74)	0	(74)	(2,467)	0	(2,467)
Interest receivable and similar income	12	1,403	0	1,403	1,657	0	1,657
Interest payable and expenses	13	(146)	4	(142)	(460)	316	(144)
Profit before tax		3,803	1,692	5,495	3,045	3,841	6,886
Tax on profit	14	(863)	(384)	(1,247)	(850)	(1,072)	(1,922)
Profit for the financial year		2,940	1,308	4,248	2,195	2,769	4,964

[1] Discontinued operations relate to the shortbreaks and insurance divisions which were hived out into their own sister companies on 1 July 2019.

There was no other comprehensive income for 2020 (2019: £NIL)

The notes on pages 17 to 38 form part of these financial statements.

Holiday Extras Limited
Registered No: 01693250

Balance Sheet
As at 31 March 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	16	**7,644**	8,476
Tangible assets	17	**12,496**	12,755
Investments	18	**11**	11
		20,151	21,242
Current assets			
Debtors: amounts falling due within one year	19	**63,873**	60,876
Cash at bank and in hand	20	**4,815**	34,239
		68,688	95,115
Creditors: amounts falling due within one year	21	**(28,564)**	(35,498)
Net current assets		**40,124**	59,617
Total assets less current liabilities		**60,275**	80,859
Accruals and deferred income	23	**(31,743)**	(57,144)
Net assets		**28,532**	23,715
Capital and reserves			
Called up share capital	24	**20**	20
Share based payments reserve	25	**2,035**	1,466
Profit and loss account	25	**26,477**	22,229
Shareholders funds		**28,532**	23,715

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2021.

M G Pack
Director

The notes on pages 17 to 38 form part of these financial statements.

Holiday Extras Limited
Statement of Changes in Equity
For the Year Ended 31 March 2020

	Called Up Share Capital £000	Share Based Payments Reserve £0	Other Reserves £000	Profit and Loss Account £000	Total Equity £000
At 1 April 2018	20	0	(67)	21,265	21,218
Profit for the year	0	0	0	4,964	4,964
Share based payments charge	0	1,466	0	0	1,466
Movement on other reserves	0	0	67	0	67
Dividends: Equity Capital	0	0	0	(4,000)	(4,000)
At 31 March 2019	**20**	**1,466**	**0**	**22,229**	**23,715**
Profit for the year	0	0	0	4,248	4,248
Share based payments charge	0	569	0	0	569
At 31 March 2020	**20**	**2,035**	**0**	**26,477**	**28,532**

The notes on pages 17 to 38 form part of these financial statements.

1 General Information

Holiday Extras Limited (the 'company') is a private company limited by shares incorporated in England with the registration number 01693250. The address of the registered office is Ashford Road, Newingreen, Hythe, Kent, CT21 4JF.

The principal activity of the company is that of the selling and marketing of travel-related services that are required in addition to a holiday or flight.

2 Accounting Policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. (See Note 3).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company's functional and presentational currency is Pounds Sterling. The company's financial statements are presented to the nearest £000. The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its working capital requirements through its available cash balances and cash balances held by Holiday Extras Investments Limited. It is party to an inter-group cross guarantee in respect of bank borrowings for Holiday Extras Investments Limited and its subsidiaries. After the year end and in response to the Covid-19 pandemic the Group refinanced with Natwest. Its existing revolving credit facility was extended until 2023, a government CLBILS term loan and revolving credit facility were also agreed for the same period and a capital injection was obtained from its main shareholders. The total refinance increased the Group's available funding by £23m. The loan is held by Holiday Extras Investments Ltd and Holiday Extras Ltd is party to the inter-group cross guarantee.

Holiday Extras Investments Ltd has indicated its intention to continue to make available such funds as are needed to the company, for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

2 Accounting Policies (continued)

2.2 Going concern (continued)

The ancillary travel services, on which the company is reliant, were severely impacted by the pandemic, and the uncertainty caused by the outbreak. See the Strategic Report on pages 1 to 5 of these accounts outlining the impact and mitigation measures undertaken by management.

The directors have assessed the company's financial position alongside the group's budgets and cashflow forecasts for the period ending 30 June 2022. These indicate, taking into account reasonably possible downsides, the company will have sufficient funds, through funding from Holiday Extras Investments Ltd, to meet its liabilities as they fall due for that period.

Holiday Extras Investments Limited Group financial statements indicate that in a downside scenario, a material uncertainty exists over its ability to continue as a going concern and it is dependent on the ability of the group to obtain further covenant waivers as well as the ability to raise additional debt and equity funding if necessary. The following basis of preparation wording has been included in the group accounts:

"The group meets its working capital requirements through its available cash balances and the Revolving Credit Facility and long-term loan held with its bankers, Natwest. As a result of the COVID-19 pandemic, the group agreed new facilities in Oct 20, with a combination of extended CLBILS Revolving Credit Facilities and long-term loans, in addition to a loan from its major shareholder. The total refinance increased the Group's available funding by £23m. During the current year the Group has been in compliance with all its bank covenant tests, with the exception of the March 20 cashflow covenant test for which a waiver was obtained. After the year end, as a result of the impact of COVID-19, the group has received covenant waivers from its bankers up to Sept 20.

The Directors have prepared cash flow forecasts for the period to 30 June 2022 which have been based on the board approved budget. In preparing these forecasts they have considered the effects of Covid-19. Specifically, they have considered the impact of minimal bookings in 2020 with a gradual return to travel from late Spring 2021 increasing steadily until June 2022 when they expect trading to return to pre-pandemic levels. These forecasts indicate that the group will have sufficient liquidity to continue in operational existence, will be able to settle its liabilities as they fall due and be in compliance with its existing covenant requirements for the period 12 months from the date of approval of the financial statements.

Given the continuing uncertainties presented by Covid-19 it is plausible that a more severe downside scenario would result in on-going restricted international travel until August 2021. In such a scenario, management would need to undertake additional actions, including seeking a further covenant waiver in respect of forecast breaches of the minimum EBITDA and minimum liquidity covenants from 30 September 2021. In addition, to ensure liabilities can be settled as they fall due, the management would need to take more significant mitigating actions to preserve cash and/or raise new equity funding or debt. This indicates the existence of a material uncertainty which, were it to be realised, could cast significant doubt upon the group and Company's ability to continue as a going concern.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, there are material uncertainties around covenant waiver as well as the potential and ability to raise additional facilities in the downside scenario. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate."

2 Accounting Policies (continued)

2.2 Going concern (continued)

Based on their enquiries the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41 (b), 11.41 (c), 11.41 (e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33. 7.

This information is included in the consolidated financial statements of Holiday Extras Investments Limited as at 31 March 2020 and these financial statements may be obtained from Ashford Road, Newingreen, Hythe, Kent, CT21 4JF.

2 Accounting Policies (continued)

2.4 Recognition of income

Turnover represents revenue due from normal activities of the business to the extent that the seller obtains a right to consideration in exchange for its performance of those activities, exclusive of VAT.

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a sustainable allowance to recognise the uncertainties remaining in the completion of the obligations. Contingent income is recognised only when the contingent element is assured.

Income is recognised as follows:

(a) Sale of hotel accommodation, airport parking and other travel related products

Credit is taken to the statement of comprehensive income for stay dates commencing during the accounting period.

(b) Travel insurance

Credit is taken to the statement of comprehensive income for the commission arising on insurance policies returned to the company during the accounting period.

Management fee income is received from subsidiary companies and is recognised when entitled.

2.5 Gross profit on trading activities

(a) Value added tax

Where appropriate, VAT on trading activities is accounted for under the Tour Operators' Margin Scheme. VAT payable under the scheme is included in cost of sales.

(b) Commissions due to agents

Commissions payable to agents on business executed in the year are included in cost of sales.

Turnover is therefore shown gross without deduction for relevant commissions.

2 Accounting Policies (continued)

2.6 Foreign currency translation

Transactions and balances

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

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

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

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 4 years.

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

2.8 Operating Leases: Lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.9 Interest Income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2 Accounting Policies (continued)

2.10 Finance Costs

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

2.11 Employee Benefits

Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Share Based Payments

The Company records the cost of share options granted to certain employees during the year as a capital contribution from Holiday Extras Investments Limited within Shareholders' funds. Upon exercise, the cost of the share options is transferred from the capital contribution reserve to retained earnings.

The fair value of equity-settled share-based payments is measured at the date of the grant. The fair value of cash-settled share-based payments is remeasured at the end of each year. The charge is based on fair value, estimated using the Black-Scholes pricing model.

2.12 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2 Accounting Policies (continued)

2.12 Current and deferred taxation (continued)

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.13 Intangible fixed assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life of 5-20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Software	- 25% straight line
Licences to operate	- Over the life of the licence

2 Accounting Policies (continued)

2.14 Tangible Assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, under the straight line basis.

Depreciation is provided on the following basis:

Freehold buildings	- 2% straight line
Motor vehicles	- 25% straight line
Fixtures, fittings & equipment	- 20-25% straight line
Computer Hardware	- 25-50% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.16 Debtors

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

2 Accounting Policies (continued)

2.17 Cash and Cash Equivalents

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

2.18 Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

2.19 Creditors

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

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2 Accounting Policies (continued)

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates. The following judgements have had the most significant impact on amounts recognised in the financial statements and are the company's key sources of estimation uncertainty:

3.1 Judgements

Share Based Payments

The company has recognised a share based payments charge of £569,000 in the year (2019: £1,466,000). The charge is based on fair value, estimated using the Black-Scholes pricing model. There are multiple possible vesting scenarios for the UK Joint Share Ownership Plan but the directors consider the most appropriate is a 10 year vesting period from 31 March 2019 (see note 26). This judgement is based on the best available information at the reporting date.

3.2 Estimates

Goodwill and intangible fixed assets

The company has recognised goodwill arising from business combinations and other intangible assets that are internally generated with a carrying value of £7,644,000 (2019: £8,476,000) at the reporting date (see note 16). On acquisition the company determines a reliable estimate of the useful life of goodwill and other intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

3.2 Estimates (continued)

Tangible Fixed Assets

The company has recognised tangible fixed assets with a carrying value of £12,496,000 (2019: £12,755,000) at the reporting date (see note 17). These assets are stated at their cost less provision for depreciation and impairment. For material assets such as land and buildings the company determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the company undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less the incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the company's forecasts for the foreseeable future which do not include any restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

4 Analysis of turnover

The whole of the turnover is attributable to the company's principal activity being the selling and marketing of travel-related services that are required in addition to a holiday or flight and short break leisure packages.

All turnover arose within the United Kingdom.

5 Discontinued operations

On 1st July 2019 the trade and assets of the shortbreaks division were hived to a sister company, Holiday Extras Shortbreaks Ltd at a book value of £5,572,000. Details of the assets and liabilities at hivedown, which were settled via an intercompany account, are given below.

	1 Jul 2019 £000
Fixed assets	286
Amounts owed by group undertakings	13,180
Trade and other debtors	483
Cash at bank and in hand	18,460
Total assets	32,409
Trade and other creditors	(8,996)
Deferred income	(17,841)
Total liabilities	(26,837)
Net assets	5,572

6 Other operating income

	2020 £000	2019 £000
Management fees	2,693	2,044
Government grants receivable	4	4
Other income	152	317
	2,849	2,365

7 Operating Profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	797	816
Amortisation of intangible assets, including goodwill	2,302	2,655
Share based payments	569	1,466
Exchange differences	178	(74)
Operating lease rentals	145	196

8 Auditor's renumeration

	2020 £000	2019 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	83	95

Fees payable to the company's auditor and its associates in respect of:

	2020 £000	2019 £000
The auditing of accounts of associates of the company pursuant to legislation	0	4
Taxation compliance services	0	0
All other non audit services not included above	0	0

9 Employees

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

	2020 £000	2019 £000
Wages and salaries	16,374	19,821
Social security costs	1,835	2,137
Cost of defined contribution scheme	691	679
Share based payments	569	1,466
	19,469	24,103

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

	2020 No	2019 No
Office administration and sales	539	681

	2020 £000	2019 £000

10 Directors' renumeration

	2020 £000	2019 £000
Directors' emoluments	**2,155**	2,462
Company contributions to defined contribution schemes	**121**	128
Share based payments	**416**	586
	2,692	3,176

During the year retirement benefits were accruing to 11 directors (2019 - 10) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £459,000 (2019 - £442,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2019 - £10,000).

11 Share Based Payments

The parent company, Holiday Extras Investments Ltd, provides equity and cash settled share-based payment transactions in respect of services received from certain employees of the company. The fair value of equity-settled share-based payments is measured at the date of the grant. The fair value of cash-settled share-based payments is remeasured at the end of each year. The charge, based on fair value and the Group's estimation of shares that will eventually vest, is expensed each year on a straight line basis over the vesting period. The Company records the cost of share options granted to certain employees during the year as a capital contribution from Holiday Extras Investments Limited within Shareholders' funds. Further details can be found in note 26.

12 Interest receivable

	2020 £000	2019 £000
Interest receivable from group companies	**1,367**	1,625
Other interest receivable	**36**	32
	1,403	1,657

13 Interest payable and similar expenses

	2020 £000	2019 £000
Loans from group undertakings	**142**	144
	142	144

14 Taxation

	2020 £000	2019 £000
Corporation Tax		
Current tax on profits for the year	1,248	1,840
Adjustments in respect of previous periods	0	(123)
Total Current Tax	1,248	1,717
Deferred Tax		
Origination and reversal of timing differences	(1)	205
Total Deferred Tax	(1)	205
Taxation on profit on ordinary activities	1,247	1,922

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	5,495	6,886
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,044	1,308
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	0	386
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	146	519
Depreciation in excess of capital allowances	59	40
Adjustments to tax charge in respect of prior periods	0	(123)
Income not taxable	(1)	0
Adjust closing deferred tax to average rate	(1)	205
Effect of group relief	0	(413)
Total tax charge for the year	1,247	1,922

14 Taxation (continued)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) were substantively enacted on 26th October 2015. The UK corporation tax main rate remains at 19% for the financial year beginning 1 April 2020. This maintains the rate at 19% rather than reducing it from 1 April 2020. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

15 Dividends

	2020 £000	2019 £000
Dividends paid on equity capital	0	4,000
	0	4,000

16 Intangible Assets

	Software £000	Licences to operate £000	Goodwill £000	Total £000
Cost				
At 1 April 2019	14,445	2,273	12,497	**29,215**
Additions	1,654	0	0	**1,654**
Disposals	(859)	0	0	**(859)**
At 31 March 2020	15,240	2,273	12,497	**30,010**
Depreciation				
At 1 April 2019	10,869	468	9,402	**20,739**
Charge for the year	1,714	330	258	**2,302**
On disposals	(675)	0	0	**(675)**
At 31 March 2020	11,908	798	9,660	**22,366**
Net Book Value				
At 31 March 2020	3,332	1,475	2,837	**7,644**
At 31 March 2019	3,576	1,805	3,095	8,476

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17 Tangible Assets

	Freehold Property £000	Motor Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost or valuation				
At 1 April 2019	13,594	525	7,727	**21,846**
Additions	151	19	472	**642**
Disposals	(9)	(146)	(533)	**(688)**
At 31 March 2020	13,736	398	7,666	**21,800**
Depreciation				
At 1 April 2019	2,121	368	6,602	**9,091**
Charge for the year on owned assets	264	75	458	**797**
Disposals	(3)	(126)	(455)	**(584)**
At 31 March 2020	2,382	317	6,605	**9,304**
Net Book Value				
At 31 March 2020	11,354	81	1,061	**12,496**
At 31 March 2019	11,473	157	1,125	12,755

18 Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 April 2019	631
At 31 March 2020	**631**
Impairment	
At 1 April 2019	620
At 31 March 2020	**620**
Net book value	
At 1 April 2019	11
At 31 March 2020	**11**

18 Fixed asset investments (continued)

The following were subsidiary undertakings of the company:

Name	Country of Incorporation	Class of Shares	Holding	Principal Activity
Think W3 Limited	England	Ordinary	100%	Non-trading
Essential Travel Ltd	England	Ordinary	100%	Non-trading
Essential Extras Ltd	England	Ordinary	100%	Non-trading
Park at the Airport Limited	England	Ordinary	100%	Non-trading

The registered office of all the above companies is Ashford Road, Newingreen, Hythe, Kent, CT21 4JF with the exception of Essential Travel Limited whose address is Royal Oak Building, Newingreen, Hythe, Kent, CT21 4JA.

19 Debtors

	2020 £000	2019 £000
Trade debtors	**742**	1,397
Amounts owed by group undertakings	**60,202**	56,653
Other debtors	**89**	117
Prepayments and accrued income	**2,102**	2,665
Corporation tax	**693**	0
Deferred taxation	**45**	44
	63,873	60,876

20 Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	**4,815**	34,239
	4,815	34,239

The cash balance includes £Nil (2019: £20,060,000) of restricted cash under the Package Travel Regulations.

21 Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	**17,363**	22,103
Amounts owed to group undertakings	**8,687**	7,189
Corporation tax	**0**	216
Taxation and social security	**1,737**	3,660
Other creditors	**110**	139
Accruals	**667**	2,191
	28,564	35,498

	2020	2019
	£000	£000

22 Deferred Taxation

The deferred tax asset is made up as follows:

	2020	2019
Depreciation in excess of capital allowances	24	25
Other timing differences	21	19
	45	44

23 Accruals and deferred income

	2020	2019
Deferred income	31,615	57,012
Government grants	128	132
	31,743	57,144

Deferred income comprises cash received in respect of bookings where the stay date falls after the balance sheet date.

24 Share capital

	2020	2019
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	20	20

25 Reserves

Share based payments reserve

This reserve comprises all current and prior period costs for equity settled share based payments.

Profit and Loss Account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholder.

26 Share Based Payments

Certain employees of the Group participate in the Group's employee share incentive schemes, namely the joint share ownership plan (the "JSOP") and the save as you earn scheme (the "SAYE").

UK Joint Share Ownership Plan

This scheme grants awards to certain executive level employees within the group consisting of a beneficial ownership interest in the shares of the parent company. Such share entitlement is in turn held jointly by the participating employees and the Employment Benefit Trust. The awards are granted for a nominal exercise price payable by the participating employee to the Company, and vest once specific events occur. Furthermore, such awards only vest provided that the employee has remained in continued employment with the Group for a period specified in the terms of the awards as from the date the awards were granted. Once awards vest, participating employees are entitled to receive an amount of cash payable by the Company equivalent to the value of their share entitlement.

A reconciliation of movements in awards over the year to 31 March 2020 is shown below:

	2020 No. (000)	**2020 Weighted Avg Exercise Price**	2019 No. (000)	2019 Weighted Avg Exercise Price
Outstanding at 1 April	**1,826**	**£5.95**	832	£5.51
Granted	**184**	**£6.30**	994	£6.30
Forfeited	**(156)**	**£6.30**	0	
Exercised	**(31)**	**£6.30**	0	
Expired	**0**		0	
Outstanding at 31 March	**1,823**	**£5.95**	1,826	£5.95
Exercisable at 31 March	**0**		0	

The Company records the cost of share options granted to certain employees during the year as a capital contribution from Holiday Extras Investments Limited within Shareholders' funds. Upon exercise, the cost of the share options is transferred from the capital contribution reserve to retained earnings.

Save As You Earn Scheme

All employees in the Group with continuous employment of 1 year are given the option to opt in a saving scheme allowing them to participate in the future growth of the business. Under this scheme, participant employees contribute a monthly amount from their salaries over a period of three to five years at their own discretion. Employees are required to remain in employment with the Group until exercise, otherwise the awards lapse. At the end of this period, the participant employees have a choice to either redeem their cumulative cash paid into the scheme, or receive a number of shares in the parent company based on a pre-determined exercise value per share.

A reconciliation of the share option movements over the year to 31 March 2020 is shown below:

	2020 No. (000)	2020 Weighted Avg Exercise Price	2019 No. (000)	2019 Weighted Avg Exercise Price
Outstanding at 1 April	197	£4.03	315	£3.79
Granted	0		0	
Forfeited	0		(5)	£3.89
Exercised	(55)	£4.61	(113)	£3.37
Expired	0		0	
Outstanding at 31 March	142	£3.81	197	£4.03
Exercisable at 31 March	0		0	

The Company records the cost of share options granted to certain employees during the year as a capital contribution from Holiday Extras Investments Limited within Shareholders' funds. Upon exercise, the cost of the share options is transferred from the capital contribution reserve to retained earnings.

27 Contingent liabilities

All assets of the company are secured by debentures in favour of The Royal Bank of Scotland plc, to support the borrowings of the ultimate holding company of the group of which the company is a member.

At 31 March 2020 the total exposure amounted to £NIL (2019 - £NIL).

28 Pension commitments

The company makes payments into a group personal pension plan available to all employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost included in the financial statements in respect of this scheme is £691,000 (2019 - £679,000).

At 31 March 2020, there were outstanding contributions of £95,000 (2019 - £113,000) due to the pension scheme.

29 Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	113	207
Later than 1 year and not later than 5 years	143	533
Later than 5 years	0	101
	256	841

In addition to the above, the company has a joint tenancy with Airparks Services Limited, a fellow group company, in leasehold property. All costs relating to this leasehold property are borne by Airparks Services Limited, which occupies the property for its sole use in its trade.

30 Related party disclosure

The company has previously provided a member of key management personnel a loan in the sum of £80,000 (2019: £80,000). The loan is interest-free and at the balance sheet date an amount of £71,000 (2019: £80,000) was outstanding.

31 Controlling party

The ultimate parent undertaking at 31 March 2020 was Holiday Extras Investments Limited, a company incorporated in England and Wales whose registered office is Ashford Road, Newingreen, Hythe, Kent, CT21 4JF. Copies of this company's group financial statements may be obtained from the registered office.

At 31 March 2020, there is no controlling party in the opinion of the directors.