Registered No: 01693250

Holiday Extras Limited

Annual report and financial statements
For the Year Ended 31 March 2022

Holiday Extras Limited
Company Information

Directors	S P Hagger H J H Loudon D C Norris M G Pack M N Paxton
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

Holiday Extras Limited
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Strategic Report
For the Year Ended 31 March 2022

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.

The results for the Company show Revenue of £112,003,000 (2021: £23,781,000), an EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation - see page 3) loss of £4,047,000 (2021: loss £9,512,000) and a loss before tax of £5,368,000 (2021: loss £11,985,000). The Company has net assets of £14,530,000 (2021: £18,828,000). These results reflect the strong recovery and resilience of the Group following the severe impact of governments actions to control the Coronavirus pandemic throughout 2021 and early 2022.

The Company operates in the UK travel and leisure market, selling ancillary travel services mainly to outbound travellers. In common with other companies in the travel industry, travel restrictions continued to have a material impact on booking numbers through 2021. The year ending 31 March 2022 saw an average of 41% of pre-pandemic revenues which, whilst still materially suppressed, does represent a 371% increase on the prior financial year. Since Global travel restrictions have been gradually lifted, revenues across 2022 have been more than 20% higher than pre-pandemic levels, illustrating the Group's strength and ability to capitalise upon the high demand for travel.

Strategically the Company is focused on building one platform that serves all products across the business allowing it to scale faster and better serve its customers and suppliers. In addition, further progress has been made on the new Holiday Extras Holiday Assistant (HEHA!) online platform and App, which is integral to the 'trips' based strategy, as the Company aims to smartly recommend to its customers even more products through an even better experience. The Company has continued to focus on providing the best possible customer experience that is smart, fast and personal through investment in self-service, digital chat and call agent channels. As travel disruption continued through 2021, the Company's cancellation policy was well received by its customers, allowing either a full refund or a voucher redeemable against future bookings. Further flexibility was offered following the launch of the 'Flextras' policy, giving customers even more flexibility in cancelling a booking up to an hour before fulfilment. These measures have driven confidence to book and supported the ongoing loyalty and growth of the Company's customer base.

The Company has maintained a strong culture and an engaged committed team, evidenced by engagement survey scores which now exceed pre-pandemic levels. The Company took advantage of the Government backed furlough scheme, enabling it to save jobs, retain key talent and accelerate the speed of recovery. ESG remains a key priority as the Parent Company Group has partnered with the Travel Foundation to focus on a climate action plan as well as signing the Glasgow declaration committing to halve tourism related emissions over the next 10 years.

Principal risks and uncertainties

The ancillary travel services, on which the Company is reliant, were severely impacted by the travel restrictions put in place to manage the pandemic through 2021. Since the start of 2022 growth in Global travel has returned and customer demand has exceeded pre-pandemic levels. The strong recovery has enabled the Parent Company, Holiday Extras Investments Limited, to repay and cancel down all of the CLBIL and shareholder funding that was secured as part of the refinance in October 2020. A Revolving credit facility with Natwest remains in place.

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 Parent Company Group 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 quarterly review of risks presented by the senior team. Robust mitigation plans are in place to reduce their impact.

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. Of particular focus is how the increase in cost of living could internally impact employees and externally its impact on the cost of travel and overall travel demand.
- Any significant damage to reputation or brands
- Loss of, or difficulty in replacing, senior and technical specialist talent
- Natural catastrophe including closure of airspace and restrictions to travel caused by new variants of Covid-19 or other pandemics
- Disruption to information technology systems or infrastructure, premises or business processes
- Loss of employee engagement and the strong business culture
- Reliance on key supplier partnerships
- ESG factors cause adverse business impact

The Company has diversified and enhanced risk management and contingency planning procedures appropriate for the business to mitigate these risks.

Financial key performance indicators

The Company uses a range of performance indicators to monitor performance of which the following are considered key:

	2022	2021
	£000	£000
Turnover	112,003	23,781
Operating loss	(6,241)	(12,951)
EBITDA	(4,047)	(9,512)

Reconciliation of statutory performance measures to alternative performance measures

Operating loss	(6,241)	(12,951)
Exceptional redundancy costs	0	545
Amortisation of intangible assets, including goodwill	1,692	2,140
Depreciation of tangible fixed assets	686	733
Share based payments charge	(184)	21
EBITDA	(4,047)	(9,512)

During the year, 291 (2021: 379) full-time and part-time staff were employed by the company, generating an average turnover of £385k each (2021: £63k).

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 any other large organisation, the directors of Holiday Extras Limited delegate authority for the day to day management of the Group 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 Group'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 executive directors are also supported by a group of senior non-executive directors with expertise in Finance, Commercial, Marketing, Strategy, IT and Technology giving a wide range of insight experience.

The Company's key stakeholders are its workforce, shareholders, customers, suppliers, the bank, 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 Limited 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 ongoing 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. Investment in customer service, trading channels, key talent and product innovation, whilst also ensuring cost efficiency, has enabled the strong recovery. The Directors continue to have a strong relationship with its bank, Natwest, who remain a long term partner, powering growth.

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

Strategic focus:

The Directors have continued to focus on the Company and Parent Company Group strategy to ensure the business recovers and grows as quickly as possible. Investment in the tech platform, including all businesses within the Group, will benefit both customers and suppliers. The trips based strategy is focused on making it even easier for customers to organise, book and manage a wider range of extras and short breaks. This has been underpinned by a roadmap to deliver key workstreams and strong lines of communication to ensure all employees understand their role in delivering the strategy. The Group's agnostic position in regard to holiday destinations has enabled it to capitalise on travel recovery as restrictions have been lifted through 2021. The existence of its German subsidiary, plus further product range expansion and diversification, will further enhance the Group's long term profitability. Despite the impact of the Coronavirus pandemic, the Group has continued to focus on technology and product development to facilitate the recovery and return to growth.

Customers, partners and suppliers:

The Directors of the Company have continued to focus driving an even better customer experience. Investment has been made in self-service, digital chat and call agent channels to provide a smart, fast and personal service. In addition the Directors drive the business to continue developing diverse products and supply channels through its close relationships with key suppliers and partners.

ESG and the community:

The Company and Parent Company Group is committed to minimising its impact on the environment. ESG remains a key priority as the Group has partnered with the Travel Foundation to focus on a climate action plan as well as signing the Glasgow declaration committing to halve tourism-related emissions over the next 10 years.

Employee engagement:

The Company and Parent Company Group 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. The profit share and bonus scheme, based on Group profitability, is designed to share business success, driving commitment and engagement across all employees. Employees of the Group are involved in generating the Group's values, which underpin its culture, performance management and rewards. In addition, the Group has been accredited by Investors in People and recognised as one of the leading companies in delivering a work-life balance.

This report was approved by the board on 3rd November 2022 and signed on its behalf.

H J H Loudon
Director

Registered office:
Ashford Road
Newingreen
Hythe
Kent
CT21 4JF

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial 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.

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 (2021 - £NIL).

Directors

The directors who served during the year were:

S P Hagger
H J H Loudon
D C Norris
M G Pack
M N Paxton

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

	2022	2021
UK energy use[1]		
kWh	1,057,098	717,810
Associated greenhouse gas emissions[2]		
Tonnes CO2 equivalent	228	169
Intensity Ratio		
Tonnes CO2 Emissions per:		
£1,000 turnover	0.00204	0.00709
Employee	0.78417	0.44503

[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 – 2021.*
Electricity – Conversion factor 0.00021233 Tonnes CO2e per Kwh
Diesel – Conversion Factor 0.00025165 Tonnes CO2e per Kwh

The company is committed to minimising its impact on the environment.

This is apparent in the construction of the company's headquarters. Built on a brownfield site, the offices have been constructed with 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. Abundant electric car charging facilities have been installed. An electric car salary sacrifice scheme via Tusker has also been made available to employees.

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 controls fitted. There is programme in place 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.

Video conferencing has been utilised to reduce business travel, and employees are encouraged 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. The profit share and bonus scheme, based on the parent company group profitability, is designed to share business success, driving commitment and engagement across all employees.

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

Holiday Extras Limited has been included on The Sunday Times 100 Best Companies to Work For list 12 times and has previously been awarded a Wellbeing award that recognises the company's focus on health, home and community. In addition the company has been accredited by Investors in People and recognised as one of the leading companies in delivering a work life balance.

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 ensure everyone is treated in a fair and consistent manner. The policies have been developed to ensure that everyone is aware of what is expected of them and what the employer offers in return. Fair pay principles are transparently shared with all employees, anchored on externally sourced benchmark data.

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. A Diversity and Inclusion survey was introduced in July 2022.

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 auditor

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

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

This report was approved by the board on 3rd November 2022 and signed on its behalf.

H J H Loudon
Director

Registered office:
Ashford Road
Newingreen
Hythe
Kent
CT21 4JF

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

Opinion

We have audited the financial statements of Holiday Extras Limited ("the Company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

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

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is made up of a large volume of low value transactions, with little judgment or complexity involved and there is limited perceived pressure on management from sources outside or inside the entity to achieve an expected or unrealistic revenue or earnings target.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected postings to revenue and cash accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Fraud and breaches of laws and regulations - ability to detect (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, PCI legislation, anti-bribery, employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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:

- 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.

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

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.

The purpose of our audit work and to whom we owe our responsibilities

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.

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: 4th November 2022

Holiday Extras Limited
Statement of Comprehensive Income
For the Year Ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	4	**112,003**	23,781
Cost of sales		**(97,903)**	(20,993)
Gross profit		**14,100**	2,788
Administrative expenses		**(21,657)**	(20,726)
Other operating income	5	**1,316**	4,987
Operating loss	6	**(6,241)**	(12,951)
Intercompany write off		**0**	(410)
Interest receivable and similar income	11	**922**	1,489
Interest payable and expenses	12	**(49)**	(113)
Loss before tax		**(5,368)**	(11,985)
Tax on loss	13	**1,253**	2,260
Loss for the financial year		**(4,115)**	(9,725)

There was no other comprehensive income for 2022 (2021 - £NIL)

The notes on pages 17 to 36 form part of these financial statements.

Holiday Extras Limited
Registered No: 01693250

Balance Sheet
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	14	**4,107**	5,651
Tangible assets	15	**11,204**	11,751
Investments	16	**11**	11
		15,322	17,413
Current assets			
Debtors: amounts falling due within one year	17	**52,947**	35,175
Cash at bank and in hand	18	**26,315**	230
		79,262	35,405
Creditors: amounts falling due within one year	19	**(25,761)**	(6,930)
Net current assets		**53,501**	28,475
Total assets less current liabilities		**68,823**	45,888
Accruals and deferred income	21	**(54,293)**	(27,060)
Net assets		**14,530**	18,828
Capital and reserves			
Called up share capital	22	**20**	20
Share based payments reserve	23	**1,873**	2,056
Profit and loss account	23	**12,637**	16,752
Shareholders funds		**14,530**	18,828

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *3rd November 2022.*

H J H Loudon
Director

The notes on pages 17 to 36 form part of these financial statements.

Holiday Extras Limited
Statement of Changes in Equity
For the Year Ended 31 March 2022

	Called Up Share Capital £000	Share Based Payments Reserve £000	Other Reserves £000	Profit and Loss Account £000	Total Equity £000
At 1 April 2020	20	2,035	0	26,477	28,532
Loss for the year	0	0	0	(9,725)	(9,725)
Share based payments charge	0	21	0	0	21
At 31 March 2021	**20**	**2,056**	**0**	**16,752**	**18,828**
Loss for the year	0	0	0	(4,115)	(4,115)
Share based payments charge	0	(183)	0	0	(183)
At 31 March 2022	**20**	**1,873**	**0**	**12,637**	**14,530**

The notes on pages 17 to 36 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. See Note 2.3 for more information.

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

Despite the loss for the year of £4,115,000, the directors have prepared the financial statements on a going concern basis for the following reasons:

The company is part of a group headed by Holiday Extras Investments Limited (together "the group"). The company meets its working capital requirements through its available cash balances, and the cash balances and debt facilities held by Holiday Extras Investments Limited. As a result of the COVID-19 pandemic, the group agreed new facilities in October 2020, with a combination of extended 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.

Subsequent to the year end, due to significantly improved trading, the Group repaid both CLBILs long-term loans and its shareholder loan in advance of the repayment date. In addition to this the Group arranged early cancellation of the CLBILs extended Revolving Credit Facility, removing any reliance on UK Government-backed funding. In the current year the Group has been in compliance with all its bank covenant tests. The Group has remaining at its disposal a Revolving Credit Facility of £18m, none of which was drawn down at the date of approval of these financial statements, or is forecast to be drawn down in the twelve months from the date of approval.

2 Accounting Policies (continued)

2.2 Going concern (continued)

Holiday Extras Investments Limited 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.

The directors have assessed the company's financial position along with its cashflow forecasts to March 2024, and the Group's cash flow forecasts for the period to 31 March 2024 which have been based on the board-approved budget. In preparing these forecasts, they have considered potential headwinds from any ongoing effects of Covid-19 and the associated effects of the increase in inflation experienced in the UK and Globally. These forecasts indicate that the company will have sufficient funds, through funding from Holiday Extras Investments Limited, to settle its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Based on the above indications, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. 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 2022 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.

2.17 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 Accounting Policies (continued)

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.

2.21 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 credit of £184k in the year (2021 - charge of £21k). 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 24). 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 £4,107k (2021 - £5,651k) at the reporting date (see note 14). 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.

Tangible Fixed Assets

The company has recognised tangible fixed assets with a carrying value of £11,204k (2021 - £11,751k) at the reporting date (see note 15). 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 Other operating income

	2022 £000	2021 £000
Government job retention scheme income	**353**	4,415
Management fees	**527**	542
Government grants receivable	**4**	4
Other income	**432**	26
	1,316	4,987

6 Operating loss

	2022 £000	2021 £000
The operating loss is stated after charging:		
Depreciation of tangible fixed assets	**686**	733
Amortisation of intangible assets, including goodwill	**1,692**	2,140
Profit on sale of fixed assets	**(41)**	(49)
Share based payments	**(184)**	21
Exchange differences	**(8)**	(38)
Operating lease rentals	**131**	89

7 Auditor's renumeration

	2022 £000	2021 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**104**	119
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of associates of the company pursuant to legislation	**0**	0

8 Employees

	2022	2021
	£000	£000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	10,780	11,015
Social security costs	1,251	1,089
Cost of defined contribution scheme	436	297
Share based payments	(184)	21
	12,283	12,422

Redundancy costs of £17k are included in the above.

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

	2022	2021
	No	No
Office administration and sales	295	379

9 Directors' renumeration

	2022	2021
	£000	£000
Directors' emoluments	1,026	1,345
Company contributions to defined contribution schemes	50	56
Share based payments	0	0
	1,076	1,401

During the year retirement benefits were accruing to 5 directors (2021 - 10) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £286k (2021 - £202k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10k (2021 - £7k).

10 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 24.

11 Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable from group companies	**922**	1,489
	922	1,489

12 Interest payable and expenses

	2022 £000	2021 £000
Loans from group undertakings	**49**	105
Other interest payable	**0**	8
	49	113

13 Taxation

	2022 £000	2021 £000
Corporation Tax		
Current tax on losses for the year	**(382)**	(1,612)
Adjustments in respect of previous periods	**(16)**	(210)
Total Current Tax	**(398)**	(1,822)
Deferred Tax		
Origination and reversal of timing differences	**(855)**	(438)
Total Deferred Tax	**(855)**	(438)
Taxation on loss	**(1,253)**	(2,260)

13 Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss before tax	(5,368)	(11,985)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,020)	(2,277)
Effects of:		
Expenses not deductible for tax purposes	106	277
Adjustments to tax charge in respect of prior periods	(16)	(210)
Other differences leading to an decrease in the tax charge	(31)	(67)
Remeasurement of deferred tax for changes in tax rates	(292)	0
Income not taxable	0	(1)
Effect of group relief	0	18
Total tax credit for the year	**(1,253)**	(2,260)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 March 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related differences (2021: 19%).

14 Intangible Assets

	Software £000	Licences to operate £000	Goodwill £000	Total £000
Cost				
At 1 April 2021	15,387	2,273	12,497	**30,157**
Additions	148	0	0	**148**
At 31 March 2022	15,535	2,273	12,497	**30,305**
Depreciation				
At 1 April 2021	13,460	1,128	9,918	**24,506**
Charge for the year	1,104	330	258	**1,692**
At 31 March 2022	14,564	1,458	10,176	**26,198**
Net Book Value				
At 31 March 2022	971	815	2,321	**4,107**
At 31 March 2021	1,927	1,145	2,579	5,651

15 Tangible Assets

	Freehold Property £000	Motor Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost or valuation				
At 1 April 2021 (As restated)	13,736	337	7,371	**21,444**
Additions	3	0	142	**145**
Disposals	0	(85)	(3,936)	**(4,021)**
At 31 March 2022	13,739	252	3,577	**17,568**
Depreciation				
At 1 April 2021 (As restated)	2,646	311	6,736	**9,693**
Charge for the year on owned assets	264	16	406	**686**
Disposals	0	(80)	(3,935)	**(4,015)**
At 31 March 2022	2,910	247	3,207	**6,364**
Net Book Value				
At 31 March 2022	10,829	5	370	**11,204**
At 31 March 2021	11,090	26	635	11,751

The cost at 1 April 2021 has been restated to reflect the correct classification of disposals made in the prior year. There is no impact to the total Cost or Net Book Value.

16 Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 April 2021	631
At 31 March 2022	**631**
Impairment	
At 1 April 2021	620
At 31 March 2022	**620**
Net book value	
At 1 April 2021	11
At 31 March 2022	**11**

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.

17 Debtors

	2022 £000	2021 £000
Trade debtors	**1,683**	577
Amounts owed by group undertakings	**46,515**	32,601
Other debtors	**174**	74
Prepayments and accrued income	**2,121**	704
Corporation tax	**1,116**	736
Deferred taxation (see Note 20)	**1,338**	483
	52,947	35,175

Amounts owed by group undertakings are repayable on demand.

18 Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	**26,315**	230
	26,315	230

19 Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	**17,102**	3,364
Amounts owed to group undertakings	**2,453**	3,256
Taxation and social security	**5,026**	16
Other creditors	**550**	67
Accruals	**630**	227
	25,761	6,930

Amounts owed to group undertakings are repayable on demand.

20 Deferred Taxation

	2022 £000	2021 £000
The deferred tax asset is made up as follows:		
Trade losses	**1,405**	429
Depreciation in excess of capital allowances	**(108)**	(17)
Other timing differences	**41**	71
	1,338	483

21 Accruals and deferred income

	2022 £000	2021 £000
Deferred income	**54,173**	26,936
Government grants	**120**	124
	54,293	27,060

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

22 Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	**20**	20

23 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.

24 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 2022 is shown below:

	2022 No. (000)	**2022 Weighted Avg Exercise Price**	2021 No. (000)	2021 Weighted Avg Exercise Price
Outstanding at 1 April	**1,823**	**£5.95**	1,823	£5.95
Forfeited	**(396)**		0	
Outstanding at 31 March	**1,427**	**£5.95**	1,823	£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.

24 Share Based Payments (continued)

A reconciliation of the share option movements over the year to 31 March 2022 is shown below:

	2022 No. (000)	**2022 Weighted Avg Exercise Price**	2021 No. (000)	2021 Weighted Avg Exercise Price
Outstanding at 1 April	**0**	**£0.00**	142	£3.81
Exercised	**0**		(142)	£4.61
Outstanding at 31 March	**0**		0	
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.

25 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 2022 the total exposure amounted to £NIL (2021 - £NIL).

26 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 £436k (2021 - £297k).

At 31 March 2022, there were outstanding contributions of £138k (2021 - £58k) due to the pension scheme.

27 Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Not later than 1 year	54	91
Later than 1 year and not later than 5 years	30	52
	84	143

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.

28 Related party disclosure

The company has previously provided a member of key management personnel a loan in the sum of £80k (2021 - £80k). The loan is interest-free and at the balance sheet date an amount of £71k (2021 - £71k) was outstanding.

29 Controlling party

The ultimate parent undertaking at 31 March 2022 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 2022, there is no controlling party in the opinion of the directors.