
SUNSHINE CRUISE HOLIDAYS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

SUNSHINE CRUISE HOLIDAYS LIMITED

COMPANY INFORMATION

Directors	A Ghasemi (appointed 22 October 2022) B D Kelly (appointed 17 October 2022) O Rosenberger (resigned 31 May 2022) B P Aguila (appointed 31 May 2022, resigned 17 October 2022)
Company secretary	Y D Banwo
Registered number	03931005
Registered office	Office 310 Third Floor, Manchester Digital World 1 Lowry Plaza, The Quays Salford M50 3UB
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

SUNSHINE CRUISE HOLIDAYS LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The directors present their strategic report of the Company and the Group for the year ended 31 December 2022.

Business review

The Group is required by the Companies Act to set out in this report, a fair review of the business of the Group during the financial year ended 31 December 2022, and its position at the end of the year along with a description of the principal risks and uncertainties facing the Group. This review is prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed, and the business review should not be relied upon by any other party or for any other purpose.

The directors considers the results to be satisfactory given the current cost of living crisis sparked by the war in Ukraine. The Group reacted quickly to the COVID-19 pandemic and positioned itself to be at the forefront of the industry when travel restrictions were eased, allowing it to capitalise on consumer demand during the year as pent up demand was realised. As a result, the Group is expecting significant growth in future years due to increased capacity as a result of the launch of new ships and new itineraries.

The key performance indicators used by the directors to monitor the progress of the Group are set out below:-

	2022 £	2021 £
Key performance indicators		
Gross Retail Turnover ("GRT")	56,635,510	14,375,700
Gross profit	4,299,233	1,795,945
Gross profit as a percentage of GRT	7.59%	12.49%
Operating loss	(1,081,101)	(1,559,387)
Operating loss as a percentage of GRT	(1.91)%	(10.85)%
Loss before taxation	(1,310,220)	(1,712,846)
Loss before taxation as a percentage of GRT	(2.31)%	(11.91)%

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered below.

- Economic uncertainty - The demand for cruises is affected by local economic conditions. During 2022, the war in Ukraine and subsequent cost of living crisis has affected the cost of holiday arrangements and resulted in consumers having less discretionary spending available for travel, however this has been compensated by the high level of pent up demand following the easing of travel restrictions after the COVID-19 pandemic. This, combined with consumer unease in relation to the current economic environment, has meant that Group's management and the directors have continued to review the Group's financial position, as well as forecasts, and plan mitigation actions in order to neutralise the potential financial impact on trading performance.

- Regulatory risk - The Group is exposed to various regulators, including the Civil Aviation Authority ("CAA") which issues an Air Travel Organisers Licence ("ATOL") which is required in order for the Group to operate. This license is renewed in September each year, with the next renewal being in September 2021, and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA's website (www.caa.co.uk). The Group operates a trust account to provide full consumer protection for UK ATOL bookings, which is independently and professionally managed by PT Trustees Limited ("PTT").

- Supplier failure - The Group is reliant on its suppliers to ensure all elements of the holidays it sells are provided to its customers where the Group has acted as a tour organiser. In the event that a supplier is unable to fill its contractual obligations the Group is liable to provide a suitable alternative or a full refund to the customer. The Group mitigates against this risk by spreading its business over a number of selected suppliers.

- Competition - The Group operates in a competitive market particularly around price and product availability. This results in downward pressure on ticket prices and margins. This risk is mitigated by seeking out opportunities to differentiate its product offering by packaging cruises with other holiday elements.

The nature of the business exposes the Group to various commercial risks which may affect the trading performance of the Group. These include:

- acts of terrorism, particularly in key tourist destinations
- epidemics in key tourist destinations which threaten the health of tourists
- wars or other international uncertainty which affects air travel
- natural disasters in key tourist destinations
- weather conditions, both in the UK and key tourist destinations
- changes in customer behaviour and preferences
- increase in government taxes

These factors may affect the Group by causing potential customers to cancel or postpone travel plans, reducing the earnings potential of the Group. The Group seeks to minimise such risks by operating a flexible limited commitment business model with the ability to shift capacity amongst a variety of destinations where necessary.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Instrument risk

The Group's operations expose it to limited financial risks that include liquidity risk, price risk and foreign exchange rate risk. Given the size of the Group, the responsibility of monitoring financial risk management is managed by the board of directors.

- Liquidity risk - The nature of the Group's tour operator business is that expenditure on sales and marketing activities to generate bookings takes place many months prior to the date of departure of the holiday, at which point the Group earns its revenue, and also that the pattern of bookings and departures varies throughout the year. The Group does not borrow externally, and maintains a mixture of cash deposits and inter-company trading balances to ensure that it has sufficient funds available for operations.

- Price risk - The Group is exposed to price risk through competitor activities in the cruise markets in which the Group operates. Competitor prices are monitored frequently and appropriate remedial action is taken. Where possible the Group seeks to differentiate its product offering in order to avoid direct price competition.

- Foreign exchange risk - The Group is exposed to foreign exchange rate risk when it purchases overseas holiday services in currencies other than British Pounds. Monetary assets and liabilities are translated at the exchange rate prevailing at the statement of financial position date. All exchange gains and losses so arising are taken to the income statement. The Group operates a policy of hedge accounting and, accordingly, bears little risk associated with such foreign exchange movements.

This report was approved by the board on 20 April 2023 and signed on its behalf.

B D Kelly
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group'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.

Principal activity

The principal activity of the Group in the year under review was that of a travel provider, primarily selling cruise holidays, as both travel agent and tour organiser.

Results and dividends

The loss for the year, after taxation, amounted to £1,248,796 (2021 - loss £1,690,738).

The total distribution of dividends for the year ended 31 December 2022 was £Nil (2021: £Nil). The directors do not recommend a final dividend.

SUNSHINE CRUISE HOLIDAYS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Director

The director who served during the year was:

A Ghasemi (appointed 22 October 2022)

B D Kelly (appointed 17 October 2022)

O Rosenberger (resigned 31 May 2022)

B P Aguila (appointed 31 May 2022, resigned 17 October 2022)

Future developments

The Group constantly reviews opportunities to expand profitable distribution of cruise holidays, including new overseas markets, marketing channels, partnerships, or products. Such opportunities are commercially sensitive and will be communicated at the appropriate time.

Matters covered in the Group Strategic Report

The directors have disclosed additional performance data for the Group in the strategic report which is included within this set of financial statements. This includes a review of the performance of the business and the key performance indicators, as well as the main risks faced by the business.

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end, except for the continued effects of the cost of living crisis resulting from the war in Ukraine, which has had a significant impact upon the national economy, as described in note 2.3.

During 2023, the Group will continue to operate as outlined in the principal activity note above. Following the COVID-19 pandemic, the Group has been gradually restoring capacity back to pre-pandemic levels to fulfill pent up demand from consumers. The Group has also prepared contingencies in the event of further disruptions caused by the risk of any new variants of COVID-19, or an escalation of the war in Ukraine, to minimise the impact on business.

Auditors

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 April 2023 and signed on its behalf.

B D Kelly

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSHINE CRUISE HOLIDAYS LIMITED

Opinion

We have audited the financial statements of Sunshine Cruise Holidays Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and parent Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and parent Company 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSHINE CRUISE HOLIDAYS LIMITED (CONTINUED)

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the Group's ability to continue as a going concern.

As explained in note 2.3, the COVID-19 pandemic had an unprecedented impact upon the global economy and especially upon the cruise industry, which has been compounded by a cost of living crisis sparked by the war in Ukraine. This led many consumers to hold off on booking new holidays or cancel existing holidays until the global situation stabilises, resulting in greatly reduced cash flows for travel companies. These problematic trading conditions have negatively impacted the Group's trade as well as its immediate and projected cash flows.

The impact of the COVID-19 pandemic on the cruise industry and the losses sustained by the Group could jeopardise the Group's ability to continue as a going concern in the medium term. To mitigate this risk, the ultimate parent company, Dreamlines GmbH, raised financial support from shareholders along with substantial German Government-backed subsidies to secure the finances and operations for at least the next 12 months across the Group. The financial statements have therefore been prepared on a going concern basis.

Dreamlines GmbH has provided financial support to the Group throughout the COVID-19 pandemic and has continued to provide additional support in excess of £2.5million, with commitment to provide further finance as necessary.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included obtaining and testing the Group's budgets and forecasts for the years ended 31 December 2023 and 31 December 2024, including reviewing the key assumptions behind these from the latest available information, both internal and external; reviewing the continuing steps taken by management to manage liquidity, control current costs, utilise government assistance and raise further finance, reviewing the Group's continued compliance and correspondence with its key regulator, the Civil Aviation Authority (CAA) and assessing any threat to the continuation of its Air Travel Organisers Licence (ATOL); reviewing the minutes of the regular Board meetings and performing an overall assessment of the Group's internal finance function and controls.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSHINE CRUISE HOLIDAYS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSHINE CRUISE HOLIDAYS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We exercise professional judgment and maintain professional scepticism throughout the audit;
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the deliberate override of internal control;
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- We assess the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- We review the scope of the Group's compliance with The Package and Linked Travel Arrangements Regulations 2018 ("PTRs") and sample test relevant documentation to assess this and the effectiveness of its control environment;
- We request and review the minutes of management meetings, and assess any matters identified not already provided for or disclosed that may materially impact the financial statements;
- We review the Group's relationships with related parties and other group companies, identifying and disclosing transactions during the year and balances at year-end with such parties;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSHINE CRUISE HOLIDAYS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- We conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

Use of our report

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

Ms N A Spoor FCA FCCA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

20 April 2023

SUNSHINE CRUISE HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Gross Retail Turnover ("GRT")		<u>56,635,510</u>	<u>14,375,700</u>
Turnover	4	26,246,080	4,057,601
Cost of sales		<u>(21,946,847)</u>	<u>(2,261,656)</u>
Gross profit		4,299,233	1,795,945
Administrative expenses		<u>(5,088,163)</u>	<u>(3,907,170)</u>
Other operating income	5	<u>(292,171)</u>	<u>551,838</u>
Operating loss	6	(1,081,101)	(1,559,387)
Interest receivable and similar income	10	17,384	10,528
Interest payable and similar expenses	11	<u>(246,503)</u>	<u>(163,987)</u>
Loss before taxation		(1,310,220)	(1,712,846)
Tax on loss	12	<u>61,424</u>	<u>22,108</u>
Loss for the financial year		<u>(1,248,796)</u>	<u>(1,690,738)</u>
Currency translation differences		<u>(4,321)</u>	<u>(40,858)</u>
Movement in unrealised foreign exchange reserve		46,019	(34,029)
Fair value (loss)/gain on cash flow hedges		<u>(9,827)</u>	<u>(34,183)</u>
Other comprehensive income for the year		31,871	(109,070)
Total comprehensive income for the year		<u>(1,216,925)</u>	<u>(1,799,808)</u>
(Loss) for the year attributable to:			
Owners of the parent Company		<u>(1,248,796)</u>	<u>(1,690,738)</u>
Total comprehensive income for the year attributable to:			
Owners of the parent Company		<u>(1,216,925)</u>	<u>(1,799,808)</u>

The notes on pages 18 to 40 form part of these financial statements.

SUNSHINE CRUISE HOLIDAYS LIMITED
REGISTERED NUMBER: 03931005

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	63,292	78,792
Tangible assets	14	62,766	59,215
		<u>126,058</u>	<u>138,007</u>
Current assets			
Debtors: amounts falling due within one year	16	26,259,256	18,599,459
Cash at bank and in hand	17	4,714,745	2,600,660
		<u>30,974,001</u>	<u>21,200,119</u>
Creditors: amounts falling due within one year	18	(29,286,139)	(20,381,808)
Net current assets		<u>1,687,862</u>	<u>818,311</u>
Total assets less current liabilities		<u>1,813,920</u>	<u>956,318</u>
Creditors: amounts falling due after more than one year	19	(5,532,502)	(3,457,975)
Provisions for liabilities			
Net liabilities		<u>(3,718,582)</u>	<u>(2,501,657)</u>
Capital and reserves			
Called up share capital	21	85,000	85,000
Share premium account	22	1,453,227	1,453,227
Foreign exchange reserve	22	138,200	92,181
Other reserves	22	(7,987)	1,840
Profit and loss account	22	(5,387,022)	(4,133,905)
Equity attributable to owners of the parent Company		<u>(3,718,582)</u>	<u>(2,501,657)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 April 2023.

B D Kelly
Director

The notes on pages 18 to 40 form part of these financial statements.

SUNSHINE CRUISE HOLIDAYS LIMITED
REGISTERED NUMBER: 03931005

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	63,292	78,792
Tangible assets	14	53,982	41,719
Investments	15	1,533,503	1,533,503
		<u>1,650,777</u>	<u>1,654,014</u>
Current assets			
Debtors: amounts falling due within one year	16	24,395,081	18,474,422
Cash at bank and in hand	17	2,987,171	1,973,334
		<u>27,382,252</u>	<u>20,447,756</u>
Creditors: amounts falling due within one year	18	(25,271,059)	(19,344,700)
Net current assets		<u>2,111,193</u>	<u>1,103,056</u>
Total assets less current liabilities		<u>3,761,970</u>	<u>2,757,070</u>
Creditors: amounts falling due after more than one year	19	(7,222,737)	(5,137,782)
Net liabilities		<u>(3,460,767)</u>	<u>(2,380,712)</u>
Capital and reserves			
Called up share capital	21	85,000	85,000
Share premium account	22	1,453,227	1,453,227
Other reserves	22	(7,987)	1,840
Profit and loss account	22	(4,991,007)	(3,920,779)
		<u>(3,460,767)</u>	<u>(2,380,712)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 April 2023.

B D Kelly
Director

The notes on pages 18 to 40 form part of these financial statements.

SUNSHINE CRUISE HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Foreign exchange reserve	Cash flow hedging reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2021	85,000	1,453,227	126,210	36,023	(2,402,309)	(701,849)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,690,738)	(1,690,738)
Currency translation differences	-	-	-	-	(40,858)	(40,858)
Movement in unrealised foreign exchange reserve	-	-	(34,029)	-	-	(34,029)
Fair value gain/(loss) on cash flow hedges	-	-	-	(34,183)	-	(34,183)
Total comprehensive income for the year	-	-	(34,029)	(34,183)	(1,731,596)	(1,799,808)
At 1 January 2022	85,000	1,453,227	92,181	1,840	(4,133,905)	(2,501,657)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,248,796)	(1,248,796)
Currency translation differences	-	-	-	-	(4,321)	(4,321)
Movement in unrealised foreign exchange reserve	-	-	46,019	-	-	46,019
Fair value gain/(loss) on cash flow hedges	-	-	-	(9,827)	-	(9,827)
Total comprehensive income for the year	-	-	46,019	(9,827)	(1,253,117)	(1,216,925)
At 31 December 2022	<u>85,000</u>	<u>1,453,227</u>	<u>138,200</u>	<u>(7,987)</u>	<u>(5,387,022)</u>	<u>(3,718,582)</u>

SUNSHINE CRUISE HOLIDAYS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Cash flow hedging reserve £	Profit and loss account £	Total equity £
At 1 January 2021	85,000	1,453,227	36,023	(2,558,102)	(983,852)
Comprehensive income for the year					
Loss for the year	-	-	-	(1,362,677)	(1,362,677)
Fair value gain/(loss) on cash flow hedges	-	-	(34,183)	-	(34,183)
Total comprehensive income for the year	-	-	(34,183)	(1,362,677)	(1,396,860)
At 1 January 2022	85,000	1,453,227	1,840	(3,920,779)	(2,380,712)
Comprehensive income for the year					
Loss for the year	-	-	-	(1,070,228)	(1,070,228)
Fair value gain/(loss) on cash flow hedges	-	-	(9,827)	-	(9,827)
Total comprehensive income for the year	-	-	(9,827)	(1,070,228)	(1,080,055)
At 31 December 2022	85,000	1,453,227	(7,987)	(4,991,007)	(3,460,767)

The notes on pages 18 to 40 form part of these financial statements.

SUNSHINE CRUISE HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(1,248,796)	(1,690,738)
Adjustments for:		
Amortisation of intangible assets	15,500	15,500
Depreciation of tangible assets	29,930	96,732
Loss on disposal of tangible assets	-	123,179
Interest paid	277,548	163,987
Interest received	(17,384)	(10,528)
Taxation charge	(61,424)	(22,108)
(Increase)/decrease in debtors	(7,606,951)	1,566,985
Increase/(decrease) in creditors	8,130,414	(6,238,604)
Increase in amounts owed to groups	2,888,096	2,354,549
Corporation tax received/(paid)	-	(52,890)
Net cash generated from operating activities	2,406,933	(3,693,936)
Cash flows from investing activities		
Purchase of tangible fixed assets	(32,684)	(16,028)
Interest received	17,384	10,528
Net cash from investing activities	(15,300)	(5,500)
Cash flows from financing activities		
Interest paid	(277,548)	(163,987)
Net cash used in financing activities	(277,548)	(163,987)
Net increase/(decrease) in cash and cash equivalents	2,114,085	(3,863,423)
Cash and cash equivalents at beginning of year	2,600,660	6,464,083
Cash and cash equivalents at the end of year	4,714,745	2,600,660
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,714,745	2,600,660

The notes on pages 18 to 40 form part of these financial statements.

SUNSHINE CRUISE HOLIDAYS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	Other non-cash changes £	At 31 December 2022
Cash at bank and in hand	2,600,660	2,114,085	-	4,714,745
Fair value of cash flow hedges	1,840	-	(1,840)	-
	<u>2,602,500</u>	<u>2,114,085</u>	<u>(1,840)</u>	<u>4,714,745</u>

The notes on pages 18 to 40 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

As disclosed in the Directors' Report, the principal activity of the Company and Group in the year under review was that of a travel provider, primarily selling cruise holidays, as both a travel agent and tour organiser.

The Company is a private company limited by shares and is incorporated in England. The address of the Company's principal place of business and registered office is:

Office 310

Third Floor, Manchester Digital World

1 Lowry Plaza, The Quays

Salford

M50 3UB

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The COVID-19 pandemic had an unprecedented impact upon the global economy and in particular upon the cruise industry, causing many consumers to cancel, amend their travel arrangements or not travel at all. This, combined with the subsequent war in Ukraine and the cost of living crisis, have continued to affect the Group's trading, profitability and liquidity. It has also necessitated that Group management and the directors continue to constantly review the Group's financial position as well as forecasts, and plan mitigation actions in order to neutralise the potential financial impact from the significant downturn in trading experienced over the pandemic period. This work has also enabled them to assess and plan for the potential impact of any capital requirements that might be required by its regulators. Cost reduction measures across the Group and, in the case of the German parent company, government grants to cover fixed costs were still being received in 2022. A recovery to 2019 levels is expected by management to be achieved in 2023/24.

The results of internal reporting indicates a higher EBITDA achieved in 2022 when compared to budgeted performance. Taking into account prudent budgets for 2023 and 2024, along with the financing commitment already received by shareholders in 2022 and those committed to in 2023, the Group is expected to be able to meet its commitments for periods up to and including the fourth quarter of 2023. Continued German Government subsidies received by the ultimate parent in 2022 have also provided greater than expected commitments.

In the medium term, a going concern risk exists because the going concern assessment is based on an assumption that the Group will see positive cash flows by the end of 2023.

Dreamlines GmbH, as ultimate parent, has provided a letter of comfort confirming its continued support of the Group over the coming 12 months. It has already provided £2.5million to assist with resultant financial pressures arising from the COVID-19 pandemic and to help the Group to meet CAA requirements for the renewal of its ATOL licence in the UK. Dreamlines GmbH has committed to provide further support to the Group as needed.

The Group is part of a much larger group, with the ultimate holding company being Dreamlines GmbH. The Group therefore benefits from the guaranteed financial support of its shareholders, who have acquired additional financing since the year-end in order to facilitate and support the ongoing business of all Group companies for at least the next 12 months.

As a result, Group management and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least the following 12 months from the signing of these financial statements, and will take all reasonable commercial steps, including seeking further financing or support if required, to mitigate against the impact of the COVID-19 pandemic and on the Group's ability to continue as a going concern. As a result, and with the Group continuing to receive the full support of the group, the directors believe that it is still appropriate to apply the going concern basis for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover, which excludes value added tax, represents gross ticket sales where the Group is acting as a tour organiser, net commission income where the Group is acting as a travel agent and amounts invoiced for other services provided. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover relating to sales of holidays where the Group is acting as a tour organiser is recognised on the date of departure of the holiday. Turnover relating to sales of holidays where the Group is acting as a travel agent is recognised on the date of booking of the holiday. Turnover relating to other services is recognised when the service has been provided.

Additionally, the Group's subsidiary in Australia recognises turnover 8 weeks prior to the holiday's departure date, as this is the point that the booking becomes unconditional and no cancellation refunds are offered, in accordance with their terms and conditions.

Trade debtors still represent gross amounts receivable and trade creditors still represent gross amounts payable in respect of travel and holiday arrangements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Gross retail turnover

In order to provide the user of the financial statements with a measure of the gross value of business, the gross value of all sales transactions is shown as a memorandum item at the top of the statement of comprehensive income.

Gross retail turnover does not represent statutory turnover in accordance with Section 23 of FRS 102.

Where the Group acts as an agent, gross retail turnover represents the price at which products or services have been sold, inclusive of any service fees but excluding commissions paid to third party distributors and any associated sales taxes.

In cases where the Group does act as principal, gross retail turnover represents the price at which products or services are sold, net of any value added taxes.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.8 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, which range from 3 to 6 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.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to profit or loss 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.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

2.14 Borrowing costs

All borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 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.

The estimated useful lives range as follows:

Broadcasting rights	-	over 10 years
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2.16 Tangible fixed 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- over 4 years
Fixtures and fittings	- over 4 years

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 in profit or loss.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 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.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.22 Financial instruments

The Group 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising a gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is recognised after more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.23 Hedge accounting**

The Group uses foreign currency forward contracts to manage its exposure to cash flow risk on its future creditors payable in foreign currencies. These derivatives are measured at fair value at each reporting date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimates are revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Travel agent & tour organiser	<u>26,246,080</u>	<u>4,057,601</u>

Analysis of turnover by source market:

	2022 £	2021 £
United Kingdom	18,264,697	3,552,197
Australia	7,981,383	505,404
	<u>26,246,080</u>	<u>4,057,601</u>

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022	2021
	£	£
Government grants receivable	-	406,721
Foreign exchange difference - (loss)/gain	(292,171)	145,117
	<u>(292,171)</u>	<u>551,838</u>

Government grants above primarily relate to grants received through the Coronavirus Job Retention Scheme, which was implemented by the UK Government to assist companies affected by the COVID-19 pandemic with employee wages. Also included within government grants above are grants received from the local city council to assist retail companies affected by the COVID-19 pandemic due to local restrictions.

6. Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Exchange differences	292,171	(145,117)
Other operating lease rentals	<u>36,642</u>	<u>153,420</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Group's auditors for the audit of the Group's financial statements	35,853	30,854

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	3,075,118	2,516,356	2,381,250	2,013,152
Social security costs	283,104	187,969	264,631	176,177
Cost of defined contribution scheme	130,312	114,453	59,528	68,880
	<u>3,488,534</u>	<u>2,818,778</u>	<u>2,705,409</u>	<u>2,258,209</u>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
Administration	20	28	16	22
Marketing	4	4	3	3
Sales	59	63	48	49
	<u>83</u>	<u>95</u>	<u>67</u>	<u>74</u>

9. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	169,675	227,020
Group contributions to defined contribution pension schemes	4,275	16,060
Compensation for loss of office	185,036	-
	<u>358,986</u>	<u>243,080</u>

During the year retirement benefits were accruing to 1 director (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £354,711 (2021 - £69,826).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,275 (2021 - £5,444).

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest receivable

	2022 £	2021 £
Other interest receivable	17,384	10,528
	<u>17,384</u>	<u>10,528</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	246,503	163,987
	<u>246,503</u>	<u>163,987</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	-	2,167
Foreign tax		
Foreign tax on income for the year	(6,738)	(14,523)
Total current tax	(6,738)	(12,356)
Deferred tax		
Origination and reversal of timing differences	(54,686)	(9,752)
Taxation on loss on ordinary activities	<u>(61,424)</u>	<u>(22,108)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)**Factors affecting tax charge 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 £	2021 £
Loss on ordinary activities before tax	<u>(1,310,220)</u>	<u>(1,712,846)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(248,942)	(325,441)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,803	22,924
Capital allowances for year in excess of depreciation	(4,603)	13,336
Adjustments to tax charge in respect of prior periods	-	2,167
Profits taxed in foreign jurisdictions	28,236	64,166
Deferred taxation movement	(54,686)	(9,752)
Taxes charged in foreign jurisdictions	(6,738)	(14,523)
Unrelieved tax losses carried forward	218,506	225,015
Total tax charge for the year	<u><u>(61,424)</u></u>	<u><u>(22,108)</u></u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 11 March 2021). These include increases to the main rate of tax from 19% to 25% from 1 April 2023 for profits exceeding £50,000. Deferred taxes at the Statement of Financial Position date have been measured using the rates that will be applicable in the periods to which they relate.

SUNSHINE CRUISE HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Intangible assets

Group

	Broadcasting rights £	Goodwill £	Total £
Cost			
At 1 January 2022	155,000	3,989	158,989
Foreign exchange movement	-	194	194
At 31 December 2022	155,000	4,183	159,183
Amortisation			
At 1 January 2022	76,208	3,989	80,197
Charge for the year on owned assets	15,500	-	15,500
Foreign exchange movement	-	194	194
At 31 December 2022	91,708	4,183	95,891
Net book value			
At 31 December 2022	63,292	-	63,292
At 31 December 2021	78,792	-	78,792

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Intangible assets (continued)

Company

	Broadcasting rights £
Cost	
At 1 January 2022	155,000
	<hr/>
	155,000
At 31 December 2022	<hr/>
Amortisation	
At 1 January 2022	76,208
Charge for the year	15,500
	<hr/>
	91,708
At 31 December 2022	<hr/>
Net book value	
At 31 December 2022	<u><u>63,292</u></u>
At 31 December 2021	<u><u>78,792</u></u>

The Broadcasting rights were acquired during 2017 and are being amortised over their estimated useful life of 10 years.

SUNSHINE CRUISE HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2022	656,278	117,240	773,518
Additions	32,684	-	32,684
Exchange adjustments	11,742	-	11,742
At 31 December 2022	<u>700,704</u>	<u>117,240</u>	<u>817,944</u>
Depreciation			
At 1 January 2022	599,614	114,689	714,303
Charge for the year on owned assets	28,826	1,102	29,928
Exchange adjustments	10,947	-	10,947
At 31 December 2022	<u>639,387</u>	<u>115,791</u>	<u>755,178</u>
Net book value			
At 31 December 2022	<u><u>61,317</u></u>	<u><u>1,449</u></u>	<u><u>62,766</u></u>
<i>At 31 December 2021</i>	<u><u>56,664</u></u>	<u><u>2,551</u></u>	<u><u>59,215</u></u>

SUNSHINE CRUISE HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets (continued)

Company

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2022	403,825	117,240	521,065
Additions	29,685	-	29,685
At 31 December 2022	<u>433,510</u>	<u>117,240</u>	<u>550,750</u>
Depreciation			
At 1 January 2022	364,657	114,689	479,346
Charge for the year on owned assets	16,320	1,102	17,422
At 31 December 2022	<u>380,977</u>	<u>115,791</u>	<u>496,768</u>
Net book value			
At 31 December 2022	<u>52,533</u>	<u>1,449</u>	<u>53,982</u>
At 31 December 2021	<u>39,168</u>	<u>2,551</u>	<u>41,719</u>

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments

Company

**Investments in
subsidiary
companies
£**

Cost or valuation

At 1 January 2022

1,533,503

At 31 December 2022

1,533,503

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Cruise 1st Australia PTY Limited	157-159 Walker Street, Level 2, Suites 203-204, North Sydney, Australia, NSW 2060	Travel agent and tour operator	Ordinary	100 %
Sunshine Cruise Holidays Transport Limited	Office 310, Third Floor, Manchester Digital World, 1 Lowry Plaza, The Quays, Salford, M50 3UB	Transport provider	Ordinary	100 %
Cruise 1st Deutschland GmbH	Burchardstraße 14, 20095 Hamburg, Germany	Dormant	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Cruise 1st Australia PTY Limited	1,058,924	(141,873)
Sunshine Cruise Holidays Transport Limited	100	-
Cruise 1st Deutschland GmbH	19,542	-

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade debtors	12,582,117	<i>12,158,343</i>	12,535,913	<i>12,151,846</i>
Other debtors	6,647,992	<i>3,746,975</i>	6,574,781	<i>3,740,250</i>
Prepayments and accrued income	6,789,155	<i>2,506,995</i>	5,044,395	<i>2,395,180</i>
Deferred taxation	239,992	<i>185,306</i>	239,992	<i>185,306</i>
Financial instruments	-	<i>1,840</i>	-	<i>1,840</i>
	<u>26,259,256</u>	<i><u>18,599,459</u></i>	<u>24,395,081</u>	<i><u>18,474,422</u></i>

Included within other debtors is a UK Trust Account which is independently and professionally managed by PT Trustees Limited ("PTT"). As at 31 December 2022, the sum of £6,546,772 (2021: £3,726,945) was held in the Trust Account, to be released upon a set of rules agreed with the Civil Aviation Authority ("CAA") and PTT which provide full consumer protection for ATOL bookings.

17. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Cash at bank and in hand	4,714,745	<i>2,600,660</i>	2,987,171	<i>1,973,334</i>
	<u>4,714,745</u>	<i><u>2,600,660</u></i>	<u>2,987,171</u>	<i><u>1,973,334</u></i>

Included within cash at bank and in hand above is restricted cash of £866,000 (2021 - £866,000) provided as security to the Air Travel Trust in connection with the Group's Air Travel Organisers Licence ('ATOL') issued by the Civil Aviation Authority.

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	13,177,752	13,435,709	13,152,216	13,417,007
Amounts owed to group undertakings	1,193,007	379,438	824,764	260,200
Corporation tax	39,827	56,421	-	-
Other taxation and social security	79,159	203,274	61,953	197,465
Other creditors	33,656	27,098	11,708	12,554
Accruals and deferred income	14,754,751	6,279,868	11,212,431	5,457,474
Financial instruments	7,987	-	7,987	-
	<u>29,286,139</u>	<u>20,381,808</u>	<u>25,271,059</u>	<u>19,344,700</u>

The Group had BSP outstanding cash sales due to be paid of £232,757 at 31 December 2022 (2021 - £25,734), all of which were paid within January 2023. The Group did not have any unutilised overdraft or Revolving Credit Facilities at 31 December 2022.

19. Creditors: Amounts falling due after more than one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Amounts owed to group undertakings	5,532,502	3,457,975	7,222,737	5,137,782
	<u>5,532,502</u>	<u>3,457,975</u>	<u>7,222,737</u>	<u>5,137,782</u>

Included in the above is a loan from the Group's ultimate parent company, Dreamlines GmbH totalling £3,457,975 (2021: £3,457,975), which is subject to a subordinated undertaking in favour of the Civil Aviation Authority, in relation to the Company's ATOL licence and cannot be repaid without the Civil Aviation Authority's prior written consent. This loan carries an interest rate of 6% per annum.

There is also a loan due from Cruise 1st Australia PTY Limited to the Company in the sum of £167,825 (2021: £167,825), which is subject to a subordinated undertaking in favour of ABTA in relation to the Company's ABTA membership and cannot be repaid before 30 September 2022. This loan carries an interest rate of 6% per annum.

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Deferred taxation

Group

	2022	2021
	£	£
At beginning of year	185,306	175,554
Charged to profit or loss	54,686	9,752
At end of year	<u>239,992</u>	<u>185,306</u>

Company

	2022	2021
	£	£
At beginning of year	185,306	175,554
Charged to profit or loss	54,686	9,752
At end of year	<u>239,992</u>	<u>185,306</u>

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	(10,008)	(4,694)	(10,008)	(4,694)
Tax losses carried forward	250,000	190,000	250,000	190,000
	<u>239,992</u>	<u>185,306</u>	<u>239,992</u>	<u>185,306</u>

21. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
85,000 (2021 - 85,000) Ordinary shares of £1.00 each	<u>85,000</u>	<u>85,000</u>

The ordinary shares of £1 each carry full voting rights, full dividend rights and full rights to participation in any capital distribution on winding up.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Reserves

Share premium account

The share premium account represents the additional amount shareholders have paid for their issued shares that was in excess of the par value of those shares.

Foreign exchange reserve

The foreign exchange reserve represents differences arising upon the revaluation of foreign subsidiary companies stated in their local currencies. The financial statements of these companies are revalued to match the presentation currency of the Group for consolidation purposes, to show the entirety of the Group's results in Pounds Sterling (GBP). See accounting policy 2.4 for details of how the individual balances within the foreign subsidiaries are translated.

Other reserves

Other reserves relate to a cash flow hedging reserve to which, in accordance with the Group's accounting policies, the effective portion of changes in the fair value of foreign exchange forward contract derivatives are recognised.

Profit and loss account

The profit and loss account represents all current and prior period retained profits and losses, less any dividends paid to shareholders.

23. Contingent liabilities

At 31 December 2022, there were contingent liabilities outstanding in respect of counter indemnities given by the Group, in the normal course of business, to the Group's bond insurance obligors in respect of ABTA, IATA and CAA travel bonds amounting to £1,050,175 (2021 - £1,050,175).

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £130,312 (2021 - £114,453). Contributions totalling £30,003 (2021 - £22,942) were payable to the fund at the reporting date and are included in creditors.

SUNSHINE CRUISE HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	54,617	26,493	54,617	26,493
Later than 1 year and not later than 5 years	4,428	-	4,428	-
	<u>59,045</u>	<u>26,493</u>	<u>59,045</u>	<u>26,493</u>

26. Related party transactions

	2022 £	<i>2021 £</i>
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Dreamlines GmbH

Immediate and ultimate holding company of the Group

Expenses recharged to the related party	490,832	137,816
Expenses recharged from the related party	(1,028,898)	(105,680)
Interest payable to the related party	(245,852)	(159,402)
Loan outstanding to the related party at the year-end	<u>(6,725,509)</u>	<u>(3,837,413)</u>

27. Controlling party

The Group's immediate and ultimate holding company is Dreamlines GmbH, a company registered in Germany which owns all of the issued share capital of the Company. Copies of the financial statements of Dreamlines GmbH can be obtained from Burchardstraße 14, 20095 Hamburg, Germany.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.