
FIRST HOLIDAY FINANCE LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FIRST HOLIDAY FINANCE LTD

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FIRST HOLIDAY FINANCE LTD

COMPANY INFORMATION

Directors	D J Fairbrother H M O'Donnell
Company secretary	Mapa Management & Administration Services Limited
Registered number	07532241
Registered office	Hallswelle House, 1 Hallswelle Road, London, NW11 0DH
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA
Bankers	Barclays Bank plc 1250 High Road Whetstone London N20 0PB
Solicitors	PCB Lawyers LLP 70 Baker Street London NW11 0DH

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Principal activity

The company was incorporated in 2011 and commenced trading on 1 August 2015. The principal activity of the company is the provision of credit to British customers for the purchase of vacation related products.

Directors

The directors who served during the year were:

D J Fairbrother
H M O'Donnell

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

The directors are fully aware of their duty to assess the company's going concern status and have attended to this with particular care in consideration of the current economic outlook. The company is part of the wider IDILIQ Group of companies. The ultimate parent company, Bejenno Holding Ltd, has confirmed its intention to continue to provide ongoing support to the company as required. Having considered the ability of Bejenno Holding Ltd to provide that support, based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Principal risks and uncertainties

Financial risk management

Liquidity risk

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the company uses group debt finance.

Credit risk

Credit risk is the risk that one party of a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimizing such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the company's debtors are shown in note 9 to the financial statements.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

FIRST HOLIDAY FINANCE LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board on 23 December 2022 and signed on its behalf.

H M O'Donnell
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST HOLIDAY FINANCE LTD

Opinion

We have audited the financial statements of FIRST HOLIDAY FINANCE LTD (the 'Company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST HOLIDAY FINANCE LTD (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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST HOLIDAY FINANCE LTD (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST HOLIDAY FINANCE LTD (CONTINUED)

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 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 skepticism 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST HOLIDAY FINANCE LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

M S Caldicott ACA FCCA CTA (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

23 December 2022

FIRST HOLIDAY FINANCE LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	5	1,220,274	1,495,102
Gross profit		<u>1,220,274</u>	<u>1,495,102</u>
Administrative expenses		(385,027)	(1,432,407)
Other operating income		-	436,473
Operating profit	6	<u>835,247</u>	<u>499,168</u>
Tax on profit	8	(158,698)	(90,206)
Profit for the financial year		<u><u>676,549</u></u>	<u><u>408,962</u></u>

The notes on pages 15 to 23 form part of these financial statements.

FIRST HOLIDAY FINANCE LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Profit for the financial year		676,549	408,962
Other comprehensive income			
Total comprehensive income for the year		676,549	408,962

The notes on pages 15 to 23 form part of these financial statements.

FIRST HOLIDAY FINANCE LTD
REGISTERED NUMBER: 07532241

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	9	7,630,755	8,109,616
Cash at bank and in hand	10	17,240	17,332
		<u>7,647,995</u>	<u>8,126,948</u>
Creditors: amounts falling due within one year	11	(1,798,944)	(2,954,446)
Net current assets		<u>5,849,051</u>	<u>5,172,502</u>
Total assets less current liabilities		<u>5,849,051</u>	<u>5,172,502</u>
Net assets		<u><u>5,849,051</u></u>	<u><u>5,172,502</u></u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		5,849,050	5,172,501
		<u><u>5,849,051</u></u>	<u><u>5,172,502</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2022.

H M O'Donnell
Director

The notes on pages 15 to 23 form part of these financial statements.

FIRST HOLIDAY FINANCE LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	1	5,172,501	5,172,502
Comprehensive income for the year			
Profit for the year	-	676,549	676,549
	<u> </u>	<u> </u>	<u> </u>
Other comprehensive income for the year	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the year	-	676,549	676,549
	<u> </u>	<u> </u>	<u> </u>
Total transactions with owners	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	<u><u>1</u></u>	<u><u>5,849,050</u></u>	<u><u>5,849,051</u></u>

The notes on pages 15 to 23 form part of these financial statements.

FIRST HOLIDAY FINANCE LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1	4,763,539	4,763,540
Comprehensive income for the year			
Profit for the year	-	408,962	408,962
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	408,962	408,962
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	1	5,172,501	5,172,502

The notes on pages 15 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

First Holiday Finance Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors are fully aware of their duty to assess the company's going concern status and have attended to this with particular care in consideration of the current economic outlook. The company is part of the wider IDILIQ Group of companies. The ultimate parent company, Bejenno Holding Ltd, has confirmed its intention to continue to provide ongoing support to the company as required. Having considered the ability of Bejenno Holding Ltd to provide that support, based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Foreign currency translation

Functional and presentation currency

The Company'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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, in case apply and excluding taxes or duty.

2.5 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

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.

2.6 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.

2.7 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.

2.8 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.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Financial instruments (continued)

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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

In application of the company's accounting policies which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts 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 accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider there to be any such sources of estimation uncertainty or critical accounting judgements in forming these financial statements.

4. Estimation uncertainty - in house finance bad debt provision

Three external finance options are available to the consumer but the company also offers in-house finance. The financial statements include a bad debt provision to cover potential defaults which is based on historical records, leading to a default ratio of the in-house finance debt balance. The value of the bad debt provision is **£ 4.8m** (2020 - £7.1m)

The movement in the impairment provision for trade receivables is as follows:

	2021 £m	2020 £
Opening provision 1 January	7.1	6.5
Charge / release for the year	0	0.8
Receivables written off in the year	(2.3)	(0.2)
Closing Provision 31 December	<u>4.8</u>	<u>7.1</u>

5. Turnover

Turnover represents amounts derived from the provision of credit services which fall within the company's ordinary activities after deduction of discounts. Revenue is recognised at the point of provision of services.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	1,220,274	1,495,102
	<u>1,220,274</u>	<u>1,495,102</u>

FIRST HOLIDAY FINANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Exchange differences	<u>(151,685)</u>	<u>(43,003)</u>

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2020 - 0).

8. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	158,698	90,206
	<u>158,698</u>	<u>90,206</u>
Total current tax	<u>158,698</u>	<u>90,206</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>158,698</u>	<u>90,206</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>835,247</u>	<u>499,168</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	158,698	94,842
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	3,000
Group relief	-	(7,636)
Total tax charge for the year	<u>158,698</u>	<u>90,206</u>

Factors that may affect future tax charges

In the March 2021 Budget, the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25% effective 1 April 2023.

As the changed had not been substantively enacted at the balance sheet date, the deferred tax balances at 31 December 2021 continue to be measured at a rate of 19%.

The company doesn't recognise any deferred tax on the balance sheet at 31 December 2021.

9. Debtors

	2021 £	2020 £
Trade debtors	6,493,996	8,034,386
Amounts owed by related party	1,135,000	70,888
Prepayments and accrued income	1,759	4,342
	<u>7,630,755</u>	<u>8,109,616</u>

Amounts owed by group undertakings are interest free and repayable on demand.

FIRST HOLIDAY FINANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	17,240	17,332
	<u>17,240</u>	<u>17,332</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,403	25,839
Amounts owed to related party undertakings	1,615,044	2,810,440
Corporation tax	158,697	90,206
Other creditors	-	14,137
Accruals and deferred income	19,800	13,824
	<u>1,798,944</u>	<u>2,954,446</u>

Amounts owed to related party undertakings are interest free and repayable on demand.

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary Share Capital share of £1.00	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Contingent liabilities

Financial Ombudsman Service

The company have received a number of claims lodged with the Financial Ombudsman Service ("FOS") seeking to have their loans cancelled and to be reimbursed for sums paid plus interest and costs. In the past the company has been successful in defending such claims and FOS has decided in favour of First Holiday Finance Limited ("FHF") but the directors of the company acknowledge that some of the claims are on appeal within FOS and that FOS could change its criteria and make rulings against FHF. In addition, FHF is aware that two different lenders are involved in Judicial Review cases to appeal rulings by FOS against them ("Other Lenders JR") and the outcome of this could impact how FOS approaches some FHF claims relating to similar products as involved in the Other Lenders JR. The precise nature of the implications of the referenced Judicial Review, should the High Court rule in whole or partially in support of the FOS arguments, will not be clear until later in 2023. In the meantime, the directors anticipate that the company will need to challenge the application by FOS of decisions made in the Other Lenders JR to individual FHF claims and therefore wish to take a cautious approach: first, based on a worst case scenario if a certain percentage of the claims succeeded, they estimate the total liability could be between £5 million and £6 million and then to provide for a sum of £500,000 to cover comprehensive legal expenses including applying for judicial review where appropriate.

However, given that FHF has to date successfully defended many of the claims, the directors consider that it is not necessary to make a provision in the financial statements but feel it prudent to disclose a contingent liability to the value of between £5 million and £6 million 6M in the company's Financial Statements.

14. Related party transactions

During the year the company made the following related party transactions:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Sales to related party £ - 2021	Sales to related party £ - 2020	Operating costs from related party £ - 2021	Operating costs from related party £ - 2020	Amounts owed (to)/by related party £ - 2021	Amounts owed (to)/by related party £ - 2020
Related Parties						
Club La Costa (UK) Plc Sucursal en España	-	376,477	-	-	-	(142,037)
Club la Costa (UK) Plc	-	59,996	-	-	-	(207,913)
CLC Resort Developments Ltd	-	-	-	170,000	-	(4,030,000)
Newdo Ltd	-	-	-	-	-	-
Marina del Sol Management, S.L	-	-	-	35,710	(1,615,044)	(2,810,440)
European Resorts & Hotels S.L.	-	-	-	216,247	-	(58,065)
Group Companies						
CLC Resort Management	-	-	200,000	-	1,135,000	-

15. Post balance sheet events

No subsequent events have been noted.

16. Controlling party

The ultimate parent company is CLC Resort Management Limited, a company incorporated in the Isle of Man which is exempt of preparing consolidated financial statements.

The registered office address of CLC Resort Management Limited is 33 North Quay, Douglas, Isle of Man.

In the opinion of the directors the ultimate controlling party is the Cavendish Trustees Limited.

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.