

The Collinson Group Limited
Annual report and financial statements
For the year ended 30 April 2022
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Company Information

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Christopher Evans
David Evans
Mark Hampton (resigned 21 January 2022)
Lorraine O'Brien

Company Secretary

S Hayward

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Chairman's message

It is with great pleasure that Collinson are able to report a strong and confident recovery of business as the world gets back on track and the global travel recovery continues to accelerate. By taking decisive decisions, innovating, adapting quickly and through the loyalty and commitment of our people, the group has weathered the challenges of the past two years and is now well positioned for accelerated growth and the exploitation of new opportunities in travel.

For Financial Year 2022 (FY22), year on year revenues grew by 98% to £732.7m to register a very satisfactory operating profit of £9.3m. This was driven by a particularly strong travel performance recovery in the Americas and EMEA regions. Like many global businesses, the sanctions against Russia have resulted in a suspension of our business from that country and a corresponding drop in revenues. We see this drop as being sustained for the foreseeable future. To ensure uninterrupted funding for our continued growth, for the first time in the Group's history we established a long-term external credit facility.

Our flagship Priority Pass division delivered exceptional revenue growth on the back of the travel recovery, with passengers appreciating more than ever the benefit of lounges and airport benefits at sometimes crowded and disrupted airports. With evolving traveller needs and demands in a post pandemic world, Priority Pass continues its transformation and growth with investment in new technology platforms, propositions and digital tools which support the traveller at every step of the journey.

Our Airport Dimensions division continued its impressive growth strategy. Lounge and airport experience locations have grown to 43 with a strong forward pipeline of confirmed new locations. The division continues its diversification strategy with growth in sleep suite locations, the opening of new gaming locations and the deployment of digital tools to personalise the guest experience. We look forward to opening our first Chase Sapphire Lounge by The Club in partnership with JP Morgan Chase in Hong Kong later this calendar year.

Our Assistance division delivered strong revenue growth on the back of our deployment of travel testing across UK and international locations. With the return to travel normality, we have progressively pivoted away from testing back to our traditional medical assistance business. We remain hugely proud of the contribution we were able to make in helping get the world travelling again.

The pandemic has also allowed the group to reflect on the wider needs of the communities we serve. Doing 'good beyond profit' is enshrined in our group mission and strategy. Over the past year we have reaffirmed our commitment to Environmental, Social, and Governance (ESG) with the appointment of new senior positions in the areas of diversity, wellness and sustainability to lead development in this area. We have also continued to support our charity partners throughout the pandemic despite the financial pressure the business was under.

With the pandemic largely behind us and a generally positive future outlook, I would like to take this opportunity to thank all of our employees, clients and partners for their continued support, huge contribution and unwavering efforts over the past year. With strong revenue growth and secured investment capital, we can look forward to an exciting, optimistic and innovative future; serving the traveller with a better, more personal and more sustainable travel experience.

Colin Evans, Chairman.

Strategic report

The Directors present the strategic report for the year ended 30 April 2022.

Review of the Business

The Collinson Group Limited (the 'Company') is a global leader in travel benefits and services. Our mission is to support our clients and partners to ensure that their customers can travel the world with ease and confidence, elevating every journey into something special and creating good beyond profit wherever we can. We employ over 1,700 people across more than 15 countries in FY22. The Company and its subsidiary undertakings (together referred to as 'Collinson' or 'the Group') currently operate through five main intermediate holding companies; Collinson International Limited (CIL), Collinson Investments Limited (CINV), Collinson Insurance Holdings Limited (CIHL), Airport Dimensions Holdings Limited (ADHL) and Valuedynamx Holdings Limited (VDXH). CIL houses the lion's share of our global business and includes the Travel Experiences and Loyalty businesses along with our Central operations. CIHL is the holding company for our Insurance and Assistance business. CINV is the arm of our Group that focuses on strategic investments and partnerships, primarily in cutting edge technology and experiences associated with the travel sector. ADHL contains our Airport Dimensions business which designs and operates airport lounges and wider experiences globally. And Valuedynamx Holdings Limited (VDXH) for our Valuedynamx business, a global provider of curated data-driven omni-channel purchase rewards.

Business environment

The past year has seen a strong recovery in global travel, with an immediate and positive impact on our business. The recovery started in the Americas region in early 2021 and saw sustained growth in Europe through to early and mid-2022, with travel in these regions starting to approach pre-pandemic levels by the end of the financial year. The travel recovery has been slower and more cautious in Asia Pacific. We see green shoots of a recovery, but major markets such as China remain essentially closed. Predictions are that Asia Pacific is not likely to see the return to sustained travel growth until early 2023.

With exposure to Russia and the economic sanctions against that country, we saw a drop in overall revenue from the fourth quarter and expect to see the loss of revenue from that market for the foreseeable future. In time, this will be offset by the general return to travel revenue and future growth in emerging markets for Collinson such as South America and India.

Our travel and corporate testing business saw strong performance throughout the year. However, the global decline in travel testing requirements and need for domestic testing means we will see a decline in that revenue stream.

Other areas of group business continue to show satisfactory performance.

Refinancing

With Collinson's growth and development traditionally being financed from internal earnings, the drop in revenue during the pandemic temporarily limited our ability to continue to fund that growth. The group took the decision to seek re-financing, which resulted in a 5-year term loan. This has been used primarily to fund the continued expansion of Airport Dimensions, protect and retain our people, and to ensure continued product and proposition enhancements for Priority Pass, our flagship travel benefits program.

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Group Restructuring

One of the conditions of the financing agreement was for the Group to undertake two reorganisations, the purpose of which was primarily to support the lender's securitisations. The first reorganisation was designed to segregate the regulated insurance group of companies from the other companies over which securitisation was granted. This involved transferring Collinson Insurance (Holdings) Limited (CIHL), the ultimate parent company of the Insurance and Assistance companies, from Collinson International Limited (CIL) to The Collinson Group Limited (TCG). The transfer was by way of a sale of CIHL from CIL to TCG at its carrying value of £29.4m. The second reorganisation was to insert two intermediate holding companies between Parminder Limited (PL), the ultimate parent company of TCG, and TCG. To affect the reorganisation PL established Parminder Investments Limited (PIL) (company number 13453712) as a 100% owned subsidiary and TCG established Collinson Group Holdings Limited (CGHL) (company number 13418440) as a 100% owned subsidiary. TCG sold CGHL to PIL at its carrying value of £1.00. PL then sold TCG to CGHL at its carrying value of £200,000. Other than the change in immediate parent undertaking to CGHL there was no change in the substance of TCG or to the controlling interest. Both reorganisations were completed by September 2021, in line with the terms of the financing agreement.

Evolving Travel Landscape

With a renaissance in travel, we are seeing a changing set of traveller needs and opportunities. These range from renewed and growing interest in airport lounges and lounge access programs, to new experiences across the airport and travel journey, along with the need to drive a more seamless and increased digital experience across the airport. Collinson is responding to these opportunities by developing new products and propositions, which both support the traveller journey, and also allow for greater monetisation of that journey.

Organisational Development

Throughout 2021 and 2022, we undertook a root and branch review of our organisation to ensure that we remained match fit, resulting in the design of a new Target Operating Mode, which is now being embedded. One of the major changes resulting from this review was to establish a central product function headed up by a board level Chief Product and Innovation Officer, reflecting the critical role that product management and data play for the company whilst enabling us to better leverage our combined assets.

Environmental, Social, and Governance

Aligned to our ethos of 'Good Beyond Profit', the group has used the past year to ensure that our commitment to Environmental, Social, and Governance is further strengthened. We have created a number of key senior roles to grow our commitment and drive accountability in this area, details of which are provided within our ESG Report on page 20.

Our Strategic Framework

Our overall strategy remains unchanged, but the experiences of the pandemic have allowed us to fine-tune and enhance our plans.

Our mission as a business remains to help the world travel with ease and confidence, elevating every journey into something special. We believe that as a family-owned business our responsibility goes beyond bottom line performance and the concept of doing 'good beyond profit' is core to our values.

Our strategic framework is built on six key pillars which drive the focus and direction of the business.

Focus on travel and financial services: Collinson remains uniquely positioned to deliver loyalty services and travel related benefits to both the travel and financial services industries. Notwithstanding opportunities in other industry sectors, our commitment here is to continue to develop closer, more market-led relationships with key travel providers, retail banks, payment networks and emerging Financial Services players including FinTech's. Collaborating closely with our clients we will ensure we continue to meet their current customer needs, whilst also developing future innovation and opportunities.

Add value to clients, partners, and consumers at all times: Our success has been built on our ability to establish and maintain long-term partnerships with our clients, business partners and end consumers. Returning to travel growth, our partners and their customers are looking for new benefits in a new age of travel - our commitment to our client partnerships ensures we are able to work together to meet emerging demands.

Put insights at the heart of all we do: Collinson have been at the forefront of the respectful exploitation of data for decades. As data is a function that never stops growing and evolving, we continue to invest in the tools, skills and culture that ensures that we will always make integrated data and insight fundamental to everything and everyone in our business.

Improve the basics: With the pandemic behind us and greater revenue assurance ahead, Collinson is committed to investing in continually improving the systems, process and practices that drive operational efficiency and productivity gains. Thus, ensuring that the group remains leaner, fitter and agile, ready to quickly take advantage of growing opportunities.

Evolve our purpose and performance driven culture: Every company requires the correct balance between performance culture and alignment to a set of core values. Our commitment to performance culture comes from our inter-generational family values, ensuring that we continue to build and maintain a diverse, emotionally committed and talented workforce empowered to deliver on both our financial and non-financial ambitions.

Build our balance sheet supporting continued investment in innovation and new opportunities: At its heart, Collinson is an innovation business and remains committed to product and experience innovation. With the return to growth, building our balance sheet and being ready to take advantage of new opportunities and investments is critical to our innovation culture.

Our Subsidiaries

Collinson International Limited

Travel Experiences

The Travel Experiences division operates the world's first and largest independent airport lounge membership programme, Priority Pass, alongside LoungeKey and Mastercard Airport Experiences reaching a combined customer base of over 46.5m premium travellers across 120 countries.

All lounge programmes enjoyed exceptional revenue growth in FY22 versus prior year, as the travel recovery gathered pace. That recovery has been strongest in the Americas and EMEA, with APAC markets emerging more slowly from the pandemic. Whilst sanctions against Russia has had an adverse impact, this will be compensated through overall travel recovery and expansion in emerging markets.

The pandemic has reset traveller expectations for digital delivery of services and enhanced experiences across the travel journey, with travellers seeking flexibility, assurance and comfort. These demands represent new opportunities for Collinson, our clients and partners to deliver a more personalised and enriched offering to better serve and support the traveller. With funding secured we continue to invest in the digitisation of the business by transforming technology, creating flexible global operating platforms. These will allow us to more rapidly add new partners and benefits whilst being more flexible in how they can be leveraged by our clients and accessed by our customers.

Loyalty

The loyalty landscape continues to evolve and transform as relationship management and e-commerce integration continues to grow. A key trend is the migration to enhanced cloud-based loyalty, dialogue and data solutions. Our primary focus within loyalty is the migration to and exploitation of this new infrastructure, combining our 30 years of loyalty management experience and leadership with the very best in technology platforms and solutions.

Our strategy here is to continue to develop our strategic partnership with Salesforce in the development and deployment of their Loyalty Management platform and other customer solutions. This partnership has already started to generate sales as well as establishing a strong pipeline of leads and qualified prospects.

Closer integration with loyalty commerce and payment-linked rewards propositions developed by Valuedynamx enables us to expand our loyalty propositions for clients. By accessing and influencing new customer spend areas, we provide more relevant rewards and incentives for desired changes in behaviour. By harnessing the insight gained from payment transaction data, greater loyalty can be created through the delivery of more personalised offers and rewards.

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Collinson Insurance Holdings Limited

Insurance

Collinson's Insurance division (CID) contains both a UK and EU (Malta) insurer, with appetite to increase share of retained risk based on strong underwriting expertise and results. During FY22, the business gained significant further scale due to a combination of organic growth through the onboarding of travel insurance schemes previously written in our MGA business, coinciding with overall travel recovery, as well as new growth, driven through material new Travel affinity partner wins and various other new business successes across Accident & Health and Multi-lines. The business is now in a position to grow efficiently as a result of previous investments in digitalising and automating the travel insurance customer journey. In addition, significant progress has been made during FY22 to roll out digital capabilities to our dental line of business.

We continue to offer our customers a choice of communication throughout their claims journey and have empowered our claims staff to reduce the end-to-end cycle time which lowers cost and increases customer satisfaction. Bringing medical assistance capabilities closer to our claims teams provides full medical claims and assistance handling for our customers.

CID's product offering is a great complement to Collinson's wider strategy. It focuses not only on developing insurance products and services to meet the needs of customers, providing valuable protection and assistance products and services, but also on building long term relationships with clients to maximise the brand experience of their customers.

Collinson also operates its own successful travel insurance brand, Columbus Direct, a market leader in the UK and Italy in which it intends to invest for further growth, as well as being a distributor of non-risk travel delay and ID Assistance products.

Assistance

The Assistance division offers a comprehensive range of medical and security services geared towards safeguarding the welfare of business and leisure travellers, expatriates, and their families. These services include intelligence and advisory services, telemedicine, network management, evacuation and repatriation, occupational health and claims management.

During the COVID-19 pandemic, medical capabilities were deployed to provide travel testing at most UK airports and a growing number of Asian locations and in selected US hubs as well as employee testing at a range of corporations in the UK and US.

On the back of testing, the Assistance division has seen strong revenue growth and improved margins. With the demand for testing now in decline, the business is now pivoting back to its traditional corporate assistance propositions and exploiting emerging demands for security, assistance and assurance in a post pandemic world. Following a successful partnership with Crisis24, CIHL have agreed the sale of the Assistance companies to Crisis24 for completion in November 2022.

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Airport Dimensions Holdings Limited

Airport Dimensions has become an established global leader in designing, building, and operating shared use airport lounges and other airport experiences; offering a better experience for travellers and new revenue streams for airport operators. Since opening its first lounge in Dallas in 2006, Airport Dimensions has grown to 43 locations, including 5 sleep lounges and an additional 18 locations under development at the world's leading airports.

Airport Dimensions has seen a strong business recovery during FY22, aligned to the strong overall travel recovery and our leading position in the US and UK markets. As of August 2022, 93% of our locations are once again open for business and welcoming guests. Airport Dimensions successfully completed the integration of a recent acquisition made through a joint venture, No 1 Lounges, and opened the first two Ambaar Club locations in Brazil, the result of our partnership with Ambaar Lounge. In March 2022, Airport Dimensions opened a lounge at Charlotte Douglas International Airport, the first of a partnership with design leaders Corgan.

Airport Dimensions has outlined an ambitious development plan, centred around supporting both the wider Collinson strategy and enhancing the traveller experience across the airport. Focusing on the development of the physical and digital propositions across the airport, in May 2022 Airport Dimensions opened its first joint venture gaming location with Gameway, also at Charlotte Douglas International Airport, and in June 2022 launched its Connecta In-Lounge experience platform. The strategy also ensures the business increases its focus upon sustainability, partnering with the wider airport community to drive 'giving back' and good beyond profit.

Airport Dimensions' strategic partnership with JP Morgan Chase has had a powerful start with the first six shared use lounge locations at Boston, Hong Kong, Las Vegas, New York LaGuardia, Phoenix and San Diego having been announced and a strong pipeline of additional locations under development. The first Chase Sapphire Lounge by the Club will open later in 2022.

Collinson Investments Limited

As part of Collinson's strategy to build a seamless traveller experience and expand the end-to-end travel journey, Collinson has made a number of strategic investments in companies representing leading innovators in the airport and travel experience.

Collinson's approach is to make minority investments in start-up/scale up businesses aligned to its goals, offering both strategic and practical support for the business, while taking a hands-off approach to day-to-day management and direction. Servy and Inflyter are two such companies operating digital products and services to airport customers.

Servy is a platform which allows travellers to pre-order food at airports via a mobile app and other digital channels such as self-order kiosks. Servy has continued to enjoy strong network growth, with new airport locations recently announced in San Francisco, Chicago O'Hare, Vancouver and Washington DC.

Inflyter is a digital platform connecting travellers with a growing network of airport retail and duty-free operators. Inflyter facilitates seamless e-commerce with locker collection, which offers convenience for travellers and revenue growth for concession operators. The Inflyter app supports a seamless travel experience for passengers, from flight-related information to transportation and airport services, duty-free retail offers and inMiles (Inflyter's new loyalty programme). Inflyter continued its growth with new locations at New York JFK, Los Angeles and San Francisco. Inflyter is strengthening its proposition for brand owners with digital advertising propositions and new vending kiosks for remote locations.

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Valuedynamx Holdings Limited

Valuedynamx specialises as a provider of global personalised offer networks to clients in the Loyalty and Financial Services sectors. The insight and data-led propositions help consumers to earn points, miles or cash-back and redeem loyalty currency more frequently, through its network of merchants and product providers. This in turn enables brands to create longer lasting and more engaging relationships with their customers, with the additional opportunity of building a profitable ancillary revenue stream. Valuedynamx combines technology platforms, data analytics and marketing to generate value for its network participants which include merchants, programmes (banks or loyalty programmes) and consumers. Valuedynamx has continued to grow its business and revenue lines in FY22, working with clients globally both independently and in conjunction with Collinson. It has a particular focus on the US, UK and Middle East markets. Over the past year it has won a number of new clients in these markets and added a variety of new merchants and partners. As well as growing the value from new and existing clients it has launched a new 'pay with points' proposition which it is aiming to launch with a Tier 1 airline in Q4 '22, has successfully implemented a new 'rewards marketplace' which has been deployed in the US to two key clients, and deployed new data and marketing capabilities to support the brand promise of "total customer relevance" and its vision "to become the world's leading provider of payment linked rewards."

Results and performance

The primary quantitative KPIs that the Group use to monitor its performance include revenue, gross margin, operating profit, underlying operating profit, EBITDA and certain tax and treasury related performance measures. These are set out below.

In FY22 we have seen a remarkable return to profitability and liquidity. This follows a year of unprecedented challenges for the Group due to the COVID-19 pandemic given we generate a large proportion of our revenue from the travel sector. As reported last year we took immediate actions to minimise the impact of reduced volumes in FY21. Throughout FY22, we remained vigilant in monitoring and controlling our costs and liquidity as the world slowly recovered from the pandemic. As travel restrictions eased and vaccination programmes continued, we experienced strong recovery with lounge visit volumes particularly in the Americas and EMEA regions.

Group revenue and gross profit

Group revenue increased by 98%, to £732.7m (2021: £369.8m) with gross profit of £151.5m representing an increase of £53.6m from FY21. This was largely due to increased revenues in our Travel Experiences business reflecting a significant increase in airport lounge visits due to lifting of travel restrictions as mentioned previously. Similar to Travel Experiences, revenues within our Insurance business grew significantly during the year as the recovery took pace and travel resumed. Within our Assistance business, revenues were materially bolstered by COVID-19 testing solutions coupled with traditional revenues benefiting from the recovery. On the back of new business and increased volumes the VDX business experienced strong growth in its revenues in FY22 whereas the Loyalty businesses experienced a slight contraction due to some client losses, offset by higher volumes and other new client wins in the year.

Gross margin in FY22 was 21%, a decrease from the 26% reported in FY21. The higher margins in FY21 were due largely to the change in product mix driven by the pandemic, with higher margin revenue streams accounting for a higher proportion of overall Group revenues and lower direct marketing costs due to cost saving initiatives. As our traditional travel business volumes recovered gross margin reduced however remained above our longer-term pre-pandemic levels again due to favourable product mix. We are forecasting a return to gross margins in the high teens in FY23 as our traditional business activity returns to at and in some cases above pre-pandemic levels.

Group operating profit/loss before tax

Reported operating profit before tax was £9.3m (2021: operating loss of £34.6m). The increase in reported profit in the financial year was as a direct result of the recovery of travel following the impact of COVID-19 as well as additional volumes from COVID-19 testing within our Assistance business. Continued cost management contributed to the improved operating profit performance in the year. As the recovery gathered pace we continued to closely manage our cash and liquidity however were cognizant of the need to further invest for growth so made sizable investments in our people, products and propositions which resulted in increased administrative expenses year on year.

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Underlying operating profit (loss)

	2021-22	2020-21
	£'000	£'000
Underlying operating profit (loss)		
Operating profit (loss) (as reported)	9,345	(34,654)
Non-underlying items:		
Impairment of assets	6,922	1,279
Government support schemes	(3,927)	(2,291)
Refund of VAT	(2,914)	(2,800)
Restructuring cost	-	177
Provision for onerous lease	251	-
Provisions for other taxes	3,401	-
Foreign exchange (gain) loss	(10,287)	7,717
Underlying operating profit (loss) ⁽¹⁾	2,791	(30,572)
	%	%
Reported operating margin	1.3	(9.4)
Underlying operating margin	0.4	(8.3)

(1) Underlying operating profit / (loss) excludes certain non-trading items, including fluctuations in realised and unrealised foreign exchange and other one-off costs in order to present trading performance in a consistent manner year-on-year

Operating profit was impacted by a number of non-recurring items and FX which are detailed in the table above. Underlying operating profit totalling £2.8m (2021: loss of £30.6m) was impacted the non-cash impairment of one of our strategic investments within the Collinson Investments arm of the group. Whilst we believe the prospects of this investment remains, we provided for the decline in value due to current market conditions and other matters as set out in the notes to the financial statements. Similar to FY21, the Group continued to benefit from COVID-19 related grants and subsidies, primarily within the US. At the end of FY22 we received a cash refund of overpaid VAT associated with the Tour Operators Margin Scheme (TOMS) which dated back a number of years. We also exclude from underlying operating profit the impact of other tax provisions relating to previous years which management determined in the year to be probable to materialise. Also excluded from underlying operating profit is foreign exchange which given the weakening of sterling in FY22 resulted in a material gain in the year. Foreign exchange is discussed in the Foreign Exchange Risk Management section below

Finance income and expense

Net interest payable of £5.0m in the year (2021: £0.1m) primarily related to interest associated with the £58m drawdown from our term loan secured in July 2021.

Taxation

The current year's effective tax rate (ETR) is 28.2% (2021: 14.49%) based on profit before tax of £3.6m (2021: £36.6m loss before tax). The Group's ETR was impacted by large one-off adjustments (such as investment impairments and other non-deductible expenses) in addition to the non-recognition of deferred tax assets in respect of losses generated during the year (mainly in Hong Kong and the US).

Cash flows

Total cash and cash equivalents of £164.9m at the end of FY22 represents a £87.2m increase from that reported last year. The increase was largely generated through cash inflows from operations and financing activities of £45.9m and £42.7m respectively, slightly offset by cash outflows from investing activities of £3.0m. Cash and cash equivalents also include fiduciary funds of £37.9m (2021: £22.7m) held on behalf of clients, primarily within our Insurance and Assistance businesses. These funds are legally restricted and not available for use by the Group.

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Cash inflows from operations benefited from the continuation of working capital management which was enhanced in FY21 as a result of the COVID-19 pandemic. Cash flows from operations also benefited from the weakening of the pound during the year and the upward impact this had on non-GBP cash balances.

As referred to below, we were successful in securing a long-term financing agreement and drew down £58.0m from the working capital and capital expenditure facilities in FY22. Cash outflows associated with financing activities included £6.5m which was used to pay down our previous revolving credit facility, £5.4m outflows in conjunction with originating the long-term facility and £3.7m paid in interest during the year.

Net cash used in investing activities of £3.0m was comprised of a number of activities. During the year we continued to invest in our airport lounge portfolio as well as improving our IT infrastructure and customer IT platforms, resulting in outflows fixed assets and intangible assets totalling £6.3m and £1.4m respectively. Furthermore, we invested in a number of exciting enterprises as well as joint venture in the Airport Dimension business. Total outflows related to direct increase in investments were £2.6m as well as loans to investees totalling £4.3m. These outflows were offset by funds received from the sale of assets £3.0m and short-term deposits maturing totalling £8.7m.

Financing

On 2 July 2021 the Group signed a new financing agreement, which matures on 1 July 2026. The financing includes a Term Loan of up to £50m and an Acquisition Facility of up to £50m, which is available to draw on until 1 July 2024. In addition, the Group secured a revolving credit facility of £12.5m. As at April 30, 2022 we had drawn £50m from the term loan, £8m from the Acquisition facility (with £42m remaining at our disposal) and earmarked £5m of the RCF for use on Letters of Credit of which £3.6m was outstanding at the end of the year.

Foreign Exchange and Interest Rate Risk Management

The Group operates its global exposure to fluctuations in exchange rates, most significantly to the US dollar and HK dollar. A large portion of these exposures are hedged naturally as revenues and expenses are generated in local currencies. The Group is also exposed to movements in exchange rates on intercompany balances denominated in foreign currencies, which are not hedged. The £10.3m exchange gain incurred in the year (2021: £7.7m exchange loss) is predominantly arising as a result of the weakening of sterling during the year and the resulting exchange rate impact on the translation of USD and HKD intercompany balances. As sterling continued to weaken in FY23 we have entered into a number of USD forward contracts extending out to August 2023 to hedge a portion of the exchange risk associated with USD operations and assets, in line with the Board's risk appetite. Following the drawdown of monies under our term loan as noted above the exposure to interest rate risk had heightened compared to previous periods. We are currently actively reviewing hedging options to minimise any risk associated with further increases in interest rates.

Five Year Performance

	2021-22	2020-21	2019-20	2018-19	2017-18
	£'000	£'000	£'000	£'000	£'000
Revenue	732,674	369,756	1,039,620	1,013,737	816,439
Gross profit	151,520	97,932	187,530	175,915	139,079
Operating profit/(loss)	9,345	(34,654)	33,053	38,480	8,450
Foreign exchange gain/(loss) ⁽¹⁾	10,287	(7,717)	(259)	4,298	(1,450)
EBITDA ⁽²⁾	16,521	(28,306)	39,982	45,389	15,655
Cash and cash equivalents	164,928	77,656	133,354	130,502	98,829
	%	%	%	%	%
Gross Margin	21	26	18	17	17
Operating Margin	1.3	(9.4)	3.2	3.8	1.0

(1) Included in operating margin

(2) EBITDA is profit before tax, excluding the effects of depreciation, amortisation, interest income and interest payable.

Managing Risk

Our aim is to embed risk management policies and procedures which are proportionate to the business, understood by everyone and provide management and the Board with information to make risk-based decisions. We have adopted the 3 lines of defence model, working closely with all areas across the business, to help identify and assess risks, set targets and actions to react to and treat risks. Business unit risks are aggregated to identify key trends or risks which could have a significant impact on business objectives and, together with the strategic risks identified by management, form the key risk register.

The process of risk identification, assessment and management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with Code of Conduct, regulation, legal and ethical standards is a high priority for management and the risk management function.

The Board is responsible for generating long-term shareholder value by setting the Group's strategic direction and approving the Group's risk appetite, determining the nature and extent of risk the Group is willing to take to achieve its objectives. The Board is also responsible for effective management of operations and the internal control framework to monitor financial risks and control effectiveness. The Audit Committee review the adequacy of controls, improvement plans and assurance reports from Internal and External Audit.

Chaired by the Independent Non-Executive Director, the Risk Committee reviews the key strategic risks likely to impact the business objectives, agree action plans and provides escalation to the Board where appropriate. The following list highlights some of the principal risks identified by the Risk Committee:

Risk	Mitigation
Cyber security Threat of phishing, ransom, hacking, viruses, or unauthorised data breaches; and unintentional loss of controlled data by authorised users.	<ul style="list-style-type: none"> Investment in the latest Cyber Security controls, tools, and technology Additional hires in Cyber Security team Training and communication campaigns Breach management procedures
Competition Risk Inability to retain a market leading position in a highly competitive environment, ensuring retention of the largest global lounge network and strengthening the portfolio of customer experiences.	<ul style="list-style-type: none"> Strong, long standing customer relationships providing the largest global lounge network Innovation roadmap to continue to deliver customer experiences Intelligence in the global market space Robust strategic partners in all regions allowing the Group to acquire new lounges, invest in innovation and build new products and new markets.
Financial Risk Demands on cash, pressure from clients and suppliers for revised payment terms, pricing, and reduced margins, coupled with exchange rate volatility, and inflation could negatively impact cash management and profitability.	<ul style="list-style-type: none"> Dedicated partnership and procurement functions embedded in the organisation to achieve maximum value, price and service A five-year term loan and acquisition facility secured in July 2021 to provide financial support for general corporate requirements and working capital as well as funding for acquisitions, continued growth, and investment. Geographical and sector diversification to mitigate foreign exchange volatility Group Treasury function to monitor cash and currency movements

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	<ul style="list-style-type: none"> Foreign currency contracts to hedge our FX exposure and reduce impact of fluctuations.
Regulation and Governance Failure to comply with legal and regulatory obligations including financial services, financial crime, data protection and corporate governance.	<ul style="list-style-type: none"> Dedicated Risk, Compliance and Governance functions providing support and advice, training and awareness, oversight and assurance, horizon scanning, and remediation programmes as required. Group Risk Committee providing the Board with regular information on the risks and incidents across the business.
Macroeconomic Risk The financial risk to the business of macroeconomic events such as the conflict in Russia, political changes, travel recovery post COVID and labour markets.	<ul style="list-style-type: none"> Forecasting best, downside and base case financial scenarios and considering management actions available Increased volumes in other regions, mitigated impact of Russian suspension The impact of talent shortages in airlines and airports has a possible impact on lounge pricing which is managed through our strategic relationships.
People Inability to attract, retain and develop the right people and skills required to deliver our strategic objectives.	<ul style="list-style-type: none"> Identify and retain key talent and ensure we have the right skills and experience in the right places to manage our businesses. Employee wellbeing activities and surveys Staff training and performance and development programmes to strengthen our commitment to our people.

This year, following the impacts of COVID-19 in the previous financial year, the lifting of restrictions has seen the recovery of travel across the Globe, albeit with a difficulty to predict and a vast difference in the rate of recovery by geographical region. We remain mindful of the risks posed by emerging mutations of the virus.

The ability for the travel industry to recruit is having an impact on airports, airlines and hospitality causing a lack of customer confidence and changes in travel patterns. Talent acquisition and retention is a key focus area for the board however the wider travel industry is seeing the impact of these market dynamics also.

The UK and international economic recovery have benefitted from programmes of quantitative easing and government support packages, which led to an economic recovery in 2021 and 2022 but has also contributed to higher-than-expected inflation. Inflationary pressures are also arising out of supply strain in the UK. The cost of living and increase in fuel prices could have an impact on the Group such as;

- Increase in wages, directly and indirectly;
- Increased price pressure from lounge partners and a further squeeze on margin;
- Interest rates increases;
- Escalation of geopolitical tensions; and
- A more challenging trade environment for international trade.

Following the increased conflict in Ukraine, Collinson took the decision to suspend trading within Russia in March 2022. The Board share the concern of our colleagues regarding the ongoing situation in Russia and Ukraine and join the many voices calling for an end to the war. The suspension of all Russian activity had an immediate and unforeseen impact to revenue which has been mitigated by increased volumes in other regions. We hope to be able to continue to provide services to our Russian customers in the future.

Like many, we have been active in sustainability initiatives, community programmes and driving diversity across our business for many years. These have now been brought together under our ESG strategy discussed further in our ESG Report below. This will include setting environmental targets and the commencement of our financial risk assessment of the impact of climate change and TCFD reporting for FY23. The Board do not foresee any short-term impact from climate change risk but will be running a full risk assessment and scenario analysis in FY23.

Section 172 statement

Director's statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under section 172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of its decisions in the long-term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

Our Stakeholders

The directors consider the following groups are the Group's key stakeholders. The Board seeks to understand the interests of the stakeholder groups so that they may be properly considered in the decision making process. This is done through direct engagement, receiving reports from management and inclusion of stakeholder interests in Board papers as appropriate.

Our People	
Why they matter to us and why is it important to engage	<p>Employee engagement and wellbeing is paramount to the success of the business, ensuring the business has the culture and values critical to the delivery of our strategy.</p> <p>Our people can expect a workplace that is safe, inclusive and offers them the opportunity to develop, learn and engage.</p> <p>We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect.</p> <p>Our people want to be a part of the decisions that affect them, be empowered to make decisions, be safe to challenge management, be curious to ask questions and be supported by effective systems of communication.</p>
How management and the Board engage	<p>The Board receive regular reports from the Chief People Officer (CPO) on all aspects relating to the value, development and wellbeing of our people.</p> <p>Our Employee Network Groups (Women in Collinson, Link and Kaleidoscope) are run and led by members of our global workforce and can drive diversity and inclusion through the organisation through a combined Positive Action Group sponsored by our CPO. All of people policies are under a cycle of constant improvement and are reviewed and approved by the Positive Action Group.</p> <p>Following the success of our reverse mentoring programme between our people and our senior leaders, this will continue as a permanent learning programme for our senior leaders.</p> <p>Collinson operate a framework for employee engagement, development, information and consultation. Using our technology we are able to communicate with our staff as we continue to support a hybrid working environment which includes regular video updates from our Joint CEO's and monthly virtual engagement sessions with all of our people managers.</p>

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Our Partners and Suppliers	
Why they matter to us and why is it important to engage	<p>We are only able to offer and deliver high quality products and services with the support of our partners and suppliers.</p> <p>Our reputation is built on our products and brands, ensuring our values are aligned with our suppliers and together we can work to create a responsible, sustainable and valuable supply chain. Knowing who we are working work enables us to create strategic partners with the safety and security of the resilience of our operations and long-term success of our business.</p> <p>Developing key strategic partnerships with our outsource partners has given us the ability to continually grow and expand our portfolio of activity.</p> <p>Innovation is key to our success and working in partnership with our suppliers to continually improve, stretch and disrupt the market providing the best products and services to our clients and customers.</p>
How management and the Board engage	<p>We outsource activity across many of our divisions and undertake due diligence, oversight, and regular engagement with all outsourced providers. Our approach to procurement incorporates practices to make responsible procurement decisions which treat suppliers fairly, mitigate modern slavery and ensure prompt payment.</p> <p>We operate key account management practices including the operation of our lounge network through a dedicated partnership team working to deliver sustainable strategic relationships across our global network.</p> <p>Our Board have also supported the foundation of Travel and Hospitality Chapter of the Sustainable Procurement Pledge.</p>
Our clients and customers	
Why they matter to us and why is it important to engage	<p>Our customers are the foundation of our business. It is important that working with our clients, we provide a range of products and services to meet their needs.</p> <p>Our customers want their travel experience to be safe comfortable, secure and sustainable. Working with our clients we can develop innovative products and propositions to improve the travel journey.</p> <p>By aligning our strategic objectives, our clients work with us to maximise customer experience for mutual benefit.</p>
How management and the Board engage	<p>Management engage closely with key clients ensuring a synergy of strategic objectives, culture, and values.</p> <p>As travel recovers post pandemic, we have worked closely with our key clients with a particular focus on the impact COVID-19 may have had on their business activities. This has helped us to inform the recovery profile and associated business planning, as well as influence on future proposition and customer needs.</p> <p>Our continued investment in digital services and broader technology to support innovation and security is in part driven by the needs of our clients through collaborative product development and design.</p> <p>Our access to customer data and intelligence provides us with an understanding of customer needs and demands, to feed our product development and improve customer experience.</p>

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	In Insurance, we have regular communication with customers via sales, service and claims journeys to influence product design and operational strategies such as online claims handling.
Our Regulatory Bodies	
Why they matter to us and why is it important to engage	<p>Maintaining a robust legal and regulatory framework is an important factor to how we operate ensuring we maintain corporate compliance, our customer data is safe and secure and our customers are protected by relevant regulation.</p> <p>Maintaining open relationships with our relevant regulatory bodies enables us to keep abreast of regulatory change and corporate governance reform, providing consultation if appropriate.</p>
How management and the Board engage	<p>The Board are able to drive effective programmes of regulatory change and reform through the Board Audit and Risk Committees.</p> <p>Subsidiary companies within the Group are regulated by the Financial Conduct Authority, the Prudential Regulation Authority (PRA), and Maltese Financial Services Authority (MFSA). We have open and transparent relationships with the regulators and notify any relevant events through the appropriate channels. We have meetings with the PRA and MFSA as required to discuss changes or developments to strategy and business plans.</p> <p>The Board receive communication from management on relevant regulatory correspondence and engagement.</p>
Our Shareholders	
Why they matter to us and why is it important to engage	<p>As a Private Limited Company, we are 100% owned by Parminder Limited.</p> <p>Our shareholders support our strategic objectives and operations seeking sustainable long-term return on investment with no fixed return on capital expectations.</p>
How management and the Board engage	The Company report to the Shareholder on performance, business strategy and return on investment as required.
Our Communities and Environment	
Why they matter to us and why is it important to engage	<p>We believe that you do not have to choose between making meaningful change and running a successful business. We want to be more than just a profitable company and measure our success by the impact we have on those around us.</p> <p>We want to support the communities in which we operate to provide a sustainable future for our people, our customers and our environment.</p> <p>We make sure our actions and decisions are guided by our values, and always push ourselves and our wider networks to treat people fairly and operate in a socially, environmentally, and economically sustainable way.</p>

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How management and the Board engage	<p>The Travel and Financial Services industries are our main target sectors, both of which are increasingly stepping up their efforts to minimise their environmental impact. We have created our ESG strategy, sponsored by the Board, and invested in additional resource to develop our plans for FY23. This will include diverse supply, global scope 1 and 2 emissions reporting and setting our targets for environmental sustainability.</p> <p>Each of our global offices is focusing on continuous opportunities to improve our sustainability efforts, ranging from the reduction of plastic waste to how we can maximise the use of technology and digital innovation in our products.</p> <p>As well as working with our strategic charitable partners, we offer all our people volunteer opportunities and match funding for charitable giving.</p>
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Principal Decisions

Introduction

The Group defines a principal decision as any decision of the Board that is material to the Group and or is significant to any of its stakeholders.

Below is the Group's statement regarding how stakeholder considerations are considered in relation to specific Board decisions during FY22. Directors are required to have regard to the impact of their decisions on the broader stakeholder community when performing their duty to promote the success of the company under section 172 of the Companies Act 2006. Papers supporting key decisions are received ahead of time prompting challenge and debate on the merits of proposed actions by management in the best interests of the Group. Specific examples are set out below.

Principal Decision	Who we engaged with and how
Employee Working Conditions and Rewards.	<p>Following the relaxation of COVID-19 restrictions we engaged with our employees and listened to their feedback, creating a hybrid working environment with a mix of collaborative office-based working and home working.</p> <p>The Board approved further investment in our People and Culture Team and to undertake a number of initiatives aimed at improved working conditions and rewards, talent acquisition and retention, these included:</p> <ul style="list-style-type: none"> • A Career Framework clearly describing key job families, roles and responsibilities for the entire company creating clarity and transparency for our people • Improvements to talent acquisition and retention with the enhancement of our careers site, onboarding processes and diverse recruitment • Investment in developing talent with a mix of upskilling, training and development, mentoring and developmental objectives • Recruitment of our first Global Director of Rewards to focus on performance engagement and reward • Recruitment of our first Global Head of Diversity, Inclusion and Wellbeing to lead our Diversity, Equity and Inclusion and Wellbeing strategy

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Target Operating Model	<p>The Board approved a new Target Operating Model to create a client focused and product led environment. Focusing on capabilities, providing clear decision making and accountabilities and providing the framework for lean and efficient team structures.</p> <p>The new TOM creates clear Commercial, Enabling and Product capabilities bringing regional ownership and accountability to deliver in a multi-product environment.</p> <p>Embedding the TOM has required extensive engagement with management teams to implement across each division and business unit. People engagement and communication through the process has been key to a successful execution.</p>
Suspension of activity in Russia	<p>The geopolitical situation in Eastern Europe intensified in late February 2022 with the commencement of Russia's military action against Ukraine.</p> <p>Following engagement with network clients we were able to align our suspension activities with the least possible disruption.</p> <p>Through our stringent sanctions screening processes, we have been able to engage with banks, clients, partners and suppliers for legal payment activity. Where restrictions have been imposed we have managed timely communication and expectations with partners to protect the long term impact to the business.</p>
Airport Dimensions expansion	<p>Following the securing of funding for growth and acquisition from our finance partners, Airport Dimensions has continued to grow the Global airport lounge network.</p> <p>Working closely with our JV partners we are able to identify market opportunities and execute plans quickly and efficiently.</p> <p>By engaging with or funding partner we are able to respond quickly to market opportunities.</p> <p>Growth in the period includes:</p> <ul style="list-style-type: none"> • We acquired the shares of No1 Lounges further expanding our footprint in key UK airports. • Partnership in 7 lounges in Central America • Growth of our co-branding US lounge network • Opportunities in non-lounge activity such as gaming and sleep pods
ESG Strategy	<p>The Board and management have been working on the ESG Strategy discussed further in the ESG section.</p> <p>Our strategy is a culmination of activity which has developed over recent years in our social, environmental and governance space. Our Board have been key in driving the change and improvements in all areas together with the passion of our people and our existing relationships with community and charity partners.</p> <p>Where appropriate we have consulted with key clients, suppliers and partners to align our strategic priorities.</p>

ESG Report

Enhancing ESG at Collinson

As a family owned and operated private company, Collinson has a long and proud history of acting ethically and with purpose, standing for more than just making money, and striving to be a business our people are proud to work for and our clients want to work with. We have sought to be a commercially successful and trusted organisation that enhances the communities and environments where we work.

Despite the challenges faced by the ongoing global COVID-19 pandemic and the commencement of Russia's military action in Ukraine (as addressed in our Section 172 statement), we have continued to evolve and enhance our focus on corporate responsibility throughout FY22.

Following a strategic review and enshrined as a core part of Collinson's new mission statement, ESG, or "good beyond profit", will be a further enhanced focal area across the group as we emerge from the pandemic.

To support this enhanced focus, in FY22, Collinson invested in four new key dedicated roles:

VP Procurement & ESG

Enhancing the Global Procurement Director remit and scope by adding strategic responsibility for developing and directing our ESG strategy, the new dedicated senior leadership role of VP Procurement & ESG will ensure additional focus is placed on our ESG priorities both across the group and throughout Collinson's entire value chain.

Head of Diversity, Inclusion and Wellbeing

This newly created leadership role sees Collinson invest in its first dedicated Global Head of Diversity, Inclusion and Wellbeing. Collinson strongly believes in creating a diverse workforce, where everyone is respected and integrated for being whoever they are, and performance is optimised through policies and support programmes that drive wellbeing. Through this role we have developed, and are now delivering, our "Diversity and Inclusion Commitment".

Sustainability Manager

Collinson's first dedicated Global Sustainability Manager has been onboarded to support the delivery of our ESG strategy, with a particular focus on our Environmental Management Systems. This role will ensure that over time Collinson expands its current reporting and management frameworks across all corporate divisions and entities, all global regions, throughout its value chains and across Scope 1, 2 and 3 Greenhouse Gas Emissions.

Social Impact Manager

By appointing a dedicated Social Impact Manager, we seek to enhance our well-established charitable partnerships and to continue developing the communities in which we operate. This additional focus will ensure we create a step change as we seek to deliver ever greater social impact targets.

ESG Governance Structures

These dedicated roles complement the impact and actions driven from a broad group of Collinson employees and stakeholders, with activity co-ordinated through our ESG governance structures.

Action is driven through our ESG management team, which is chaired by our VP Procurement and ESG. Our cross-company management team is overseen by our ESG Steering committee consisting of our VP Procurement & ESG alongside our SVP Corporate Operations, our SVP Marketing and Corporate Affairs, and an independent consultant advisor on corporate responsibility. Our ESG Steering committee reports directly into the Board.

Summary from FY22

In addition to reshaping for the future, we have been proud of the achievements we have continued to make through FY22. Our strength has been our social impact however we also continue to focus on reducing our environmental impact. Our ESG achievements are summarised in the dedicated sections below.

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Environmental Sustainability

UK Streamlined Energy and Carbon Reporting (SECR)

Our FY22 SECR disclosure presents our carbon footprint inside the UK across Scope 1, 2 and 3, appropriate intensity metric, and summary of actions taken during this financial year.

	Year ended 30 April 2022	Year ended 30 April 2021
	Kg CO2	Kg CO2
Emissions from fuel consumption – Utilities	151	-
Emissions from combustion of fuel for transport purposes	1,553	417
Scope 1 Total	1,704	417
Emissions from electricity purchased for own use	130,698	153,552
Scope 2 Total	130,698	153,552
Emissions from Waste disposal which is not owned or controlled	3,449	4,280
Emissions from Business Travel	123,540	41,343
Scope 3 Total	126,989	45,623
Total gross CO2e based on above	259,391	199,592
Intensity ratio (kgCO2e/per full time UK employee)	323.8	245.5

Actions summary

As we progressed our response to the COVID-19 pandemic, Collinson employees returned to working from our offices on a flexible hybrid working basis, and our business travel requirements returned, albeit not to the same levels as pre COVID-19. This has seen our reported intensity ratio increase from FY21. However, it should be noted that year on year we have increased our reporting coverage. Our base year of FY20 only reported Scope 1 & 2 emissions. FY21 introduced limited Scope 3 emissions, and in FY22 we have reported further enhanced Scope 3 coverage and have therefore enhanced the data for the comparative period to align with that reported in FY22. At 323.8, our FY22 intensity ratio remains well below the FY20 baseline level of 393.5, and on a like for like basis, both the FY20 baseline and the FY21 reported emissions are understated in comparison.

Through FY22, we continued to take actions to responsibly manage our emissions through efficient use of energy and the adoption of technology solutions, whereby we:

- Closed off two floors of our London office (50% reduction).
- Closed off one floor of our Haywards Heath office (50% reduction).
- Completed the implementation of automatic lighting control measures for improved energy management (to complement our LED lighting roll out already delivered).
- Decommissioned a large computer room in our Haywards Heath office and transitioned the hosting to the cloud.
- Continued to monitor business travel closely, with senior leadership approval required for all overseas travel.

We continue to review our data approach to both manage and reduce our carbon footprint. Our Scope 3 emissions include those from business travel, employee-owned vehicles where Collinson is responsible for purchasing the fuel, and waste disposal which is not owned or controlled.

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Methodology

We have used 2022 UK Government's Conversion Factors for Company Reporting and the Energy Institute Energy Savings Opportunity Scheme toolkit and the GWPs used within that were consistent with those used in the 2022 UK Government Conversion Factors.

Reporting period	1 May 2021 to 30 April 2022
Organisational boundary	Financial control approach
Alignment with financial reporting	SECR disclosure has been prepared in line with the annual accounts made up to 30 April 2022
Emissions factor source	DEFRA, 2022 for all emissions factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Calculation methods	Activity Data x Emission Factor = GHG emissions
Reason for the intensity measurement choices	The chosen metric is based on the number of full time UK employees

Environmental Actions

Collinson is committed to becoming an environmentally sustainable business. In FY23, we shall expand our Scope 1 and 2 greenhouse gas emissions reporting across all our global office locations, and we shall implement a new data management system for employee business travel, which will provide enhanced emissions data and the possibility to choose lower emission routes.

In FY23 Collinson will adopt the Taskforce for Climate related Financial Disclosures ("TCFD") reporting framework. Under this, we shall be conducting full strategic review and risk assessment through an environmental lens and shall seek to set appropriate short and mid-term targets.

Whilst we acknowledge the importance of measurement and a scientific approach, Collinson has taken, and will continue to take, improvement actions in parallel of building data capture systems.

For example, we have already removed all single use plastics from our owned and controlled airport lounges, implemented food waste control systems, and sustainable lounge development protocols. We will be building on these more through FY23.

Social Impact – Our People

Collinson is a family run company with its core values enshrined in our culture. At Collinson we seek to:

- Do the right thing
- Act smarter
- Be insight led
- Operate as one team
- Continuously evolve

Operating a vast global footprint, and with presence in every continent, Collinson has a diverse workforce, all driving a collaborative, entrepreneurial and caring culture.

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Through FY22, Collinson has continued to engage its people by acknowledging both its strengths and areas for development, and by subsequently developing our “Diversity and Inclusion commitment”. Through this commitment our Board has committed to 6 key focus areas to improve diversity and inclusion across Collinson and to fulfil our D&I vision, which is:

As a global company we will continue to reflect the world that we live in. We remain committed to creating a strong sense of belonging for all of our people, where everyone feels they can do their best work, be themselves, where differences are recognised and celebrated and where our values bring us together as one.

Our 6 key focus areas that make up our D&I strategy, all play an integral part. They are:

Our Diversity and Inclusion commitment

						
WHAT	Increase data capture engagement	Positive action to recruit and retain diverse talent	Improve education and awareness	Increase leadership visibility	Embed D&I as a focus for all elements of our culture	Drive D&I through our clients and supply chain
WHY	It's important to track progression	Attracting and retaining diverse talent is integral for us to achieve our purpose	Driving an inclusive environment is everyone's responsibility	People connect with people – connection creates belonging	Creating an inclusive culture creates belonging	The world is changing, our clients and customers expect more - we must be doing more
HOW	<ul style="list-style-type: none"> • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement 	<ul style="list-style-type: none"> • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement 	<ul style="list-style-type: none"> • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement 	<ul style="list-style-type: none"> • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement 	<ul style="list-style-type: none"> • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement 	<ul style="list-style-type: none"> • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement • Increase data capture engagement



In addition to the development of our commitment, which will drive future action through FY23, we have continued to drive progress through FY22.

- To complement our existing mentoring programme, we introduced a formal reverse mentoring programme, to help our senior leaders enhance their awareness and understanding of the challenges faced across the Collinson community, and to motivate them to drive change.
- We have also seen the ongoing development of, and engagement with, our employee led networks, which now include: the Under 30s Committee that gives a strong voice to our future leaders; our LINK network that represents our LGBTQIA+ community; Women in Collinson, that seeks to ensure we hire the right people and create the right environment for people to succeed; and Kaleidoscope, promoting racial and cultural diversity across Collinson.
- As partners of ENEI (Employers Network for Equality & Inclusion), we complete an annual TIDE report to understand how far we have come on the D&I journey, to celebrate successes and identify what more we can do. This year we doubled our result when comparing vs FY20 (COVID rules from ENEI prevented FY21 assessment). We now stand at 44% (realise stage) vs 22% (mobilise stage).
- We have introduced D&I training for hiring managers to understand unconscious bias through hiring.
- We consistently achieve +75% completion rate of global D&I training each month.

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- We've implemented a monthly D&I focus on our people manager calls with the purpose of targeting our people manager community who can lead the way with people experience.
- We launched our Count Me In! campaign earlier in the year to fulfil a board commitment to understand more of what the diversity mix looks like across Collinson and importantly – where we can drive inclusion through initiative. We have asked all staff to provide additional D&I information and have currently received a completion rate of 12% with plans to increase to capture more of the population by the end of the calendar year.
- We implemented a Motherhood Buddy scheme (Dec 2021) – to help mothers across the globe to match up with other mothers and share advice. This initiative is now in the process of being elevated to Parenthood Buddy scheme to capture anyone on their parenting journey regardless of what that looks like.
- Through our Talent Acquisition, we have implemented Grammarly to help ensure we have more gender-neutral job description and we ask hiring managers to think about the diversity mix in their teams.
- In addition, for Talent Acquisition, we have improved our employer branding – looking at bringing our stories to life through our website, making sure that our people lead the way with sharing their stories of why they enjoy working at Collinson.
- We're continuing to monitor on the gender pay gap.

Social Impact – Our Supply Chains

Collinson prides itself on its established network of over 2,750 partners and suppliers and is committed to driving diversity throughout.

Through FY22 we have continued to grow our partnership with Hyde Park Hospitality in the United States, through the ACDBE programme; and we have outsourced our UK recruitment services to an exciting start up, Chapter 2. The learnings from these initiatives will form the bedrock of the formalised supplier diversity programme that we shall implement in FY23. We will start by capturing our baseline diversity status and structure a programme to encourage disadvantaged business to bid for work across the group.

Social Impact – Our Charitable Partnerships

As the world continued to struggle with the aftermath of COVID-19, inequalities driven by unrest and deepening cost of living pressures, we have focused our activity around creating opportunities for underprivileged young people, supporting our non-profit partners to respond in times of emergency, and mobilising our colleagues around the world to take action and help their communities thrive.

Our headline impact numbers for FY22 are:

- 246 young people supported into education or employment
- 1,560 community coaching sessions delivered in disadvantaged communities
- £19,790 matched through our colleague match funding programme
- £300k raised for global emergency response
- 2,500 COVID-19 kits donated
- 235hrs of colleague volunteering
- 233,000 people reached through purpose driven campaigns

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Save the Children

Collinson and Save the Children joined forces in 2020, with the goal of empowering young people in disadvantaged communities to thrive. Our partnership and use of our financial support has focussed on addressing the barriers that face many young people finding sustainable employment and responding in times of emergency.

Adolescent Skills for Successful Transition (ASST)

The ASST programme is designed to support young people into decent employment in the Guangdong Province in China. Many of China's young migrants move from rural communities to urban areas having dropped out of secondary school and arrive in unfamiliar settings with little readiness to gain decent employment. They often face financial and qualification barriers to access skills training and employment services, suffer from weak support networks and are unaware of their rights.

To ensure the most disadvantaged migrant youth improve their chances of securing a safe and positive transition into employment, our partnership aims to equip young people, aged 16 to 24 years old, in Guangzhou and Shenzhen, with the skills and training they need to succeed and to help them break the cycle of poverty.

FY22 outcomes:

- 231 young people gained the skills and knowledge they need to gain decent employment
- 30 young people received additional career counselling
- 71% of these young people showed improvement in employability skills, and 78% found the programme useful to clarify and achieve their career plans
- It's estimated 50-60% of the youth who participated in the ASST Programme are expected to be employed and 40% are expected to pursue further education

Responding in times of emergency

Save the Children's Emergency Fund ensures children can be safe, healthy and continue learning in times of crisis. Aside from an annual company contribution to this flexible fund, which enables Save the Children to respond immediately, our people fundraised throughout the year, raising vital funds for Ukraine, India COVID-19 crisis, Global Hunger Crisis, Haiti, Afghanistan and other emergencies caused by climate change and conflict.

FY22 outcomes:

- Collinson was proud to contribute over £43,400
- 68 countries benefited, with 113 allocations from the fund
- Collinson's people raised £19,200 globally
- 2,500 COVID-19 rapid antigen test kits were also donated to support low-income families in Hong Kong

WHO Foundation

COVID-19 response

In response to the COVID-19 pandemic, Collinson partnered with the WHO Foundation in November 2021 to address vaccine equity through the Go Give One campaign, which calls on everyone, everywhere to play their part in helping to vaccinate the world. Collinson committed 1% of our testing profits globally, matched our employee donations and formed the Global Travel Sector Vaccine Coalition, recognising the important role the travel sector has to play in harnessing the collective power of people everywhere.

The money raised goes to the Gavi COVAX AMC, which funds COVID-19 vaccines for lower-income countries, helping protect those who need vaccines the most.

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FY22 Outcomes:

- Convening of the Global Travel Sector Vaccine Coalition
- £210,000 raised to procure almost 50,000 vaccines
- 52 pieces of coverage globally, 65% in Tier 1 media

Since April 2021, the Go Give One Campaign has raised over £13.5 million from individuals, and the private sector. Every £4 donated buys a COVID-19 vaccine through Covax AMC. As of May 2022, COVAX has delivered over 1.5 billion vaccine doses to 144 countries.

Coach Core

Social mobility through sports apprenticeships

Collinson is proud to be a founding partner of UK-based employment and education charity, Coach Core. Through community sports apprenticeships, Coach Core targets young adults not in employment, education or training (NEET) and empowers them to not only change their own future pathways, but to become a positive influence in communities that need sports provision most. 87% of apprentices move on to full-time education or employment.

Coach Core apprentices are in Collinson's London and Haywards Heath offices most weeks and our people are proud to support them through volunteering programmes which have included online learning and support during COVID, fitness programmes and career counselling.

FY22 outcomes:

- 14 apprentices completed their sports coaching qualifications
- These coaches went on to deliver 1,560 coaching sessions which engaged 175,000 people in their local communities
- 32 apprentices took part in additional Collinson-sponsored volunteering programmes

University of Birmingham

Fair access to university

The Access to Birmingham (A2B) programme is the University of Birmingham's sector-leading fair access programme which has been running for over 20 years and the first programme of its kind in the UK, enabling more than 3,000 young people from disadvantaged backgrounds to study at the University. Collinson are supporting one student to access University and support their studies through the A2B programme over the next three years. Through the programme, we also supported an entrepreneurial skills boot camp with Accenture in March 2021, where Joint CEO David Evans discussed his experience, COVID's impact on the travel sector and Collinson's response.

As we move into FY23 we have committed to increase funding to support an additional two students through the programme.

Matched giving

Charitable giving and volunteering have always played an important role at Collinson. Our Matched Giving Programme supports our people's fundraising efforts, with Collinson matching the first £250 of the funds they raise for registered charities. In FY22 we matched £19,790.

Volunteering

Our volunteering programme gives every Collinson employee one day of paid leave each year to volunteer for a charity of their choice. In response to COVID-19, we encouraged our people to continue volunteering where they could and saw an increase in virtual volunteering. In total our people volunteered 135 hours in FY22.

The Collinson Group Limited

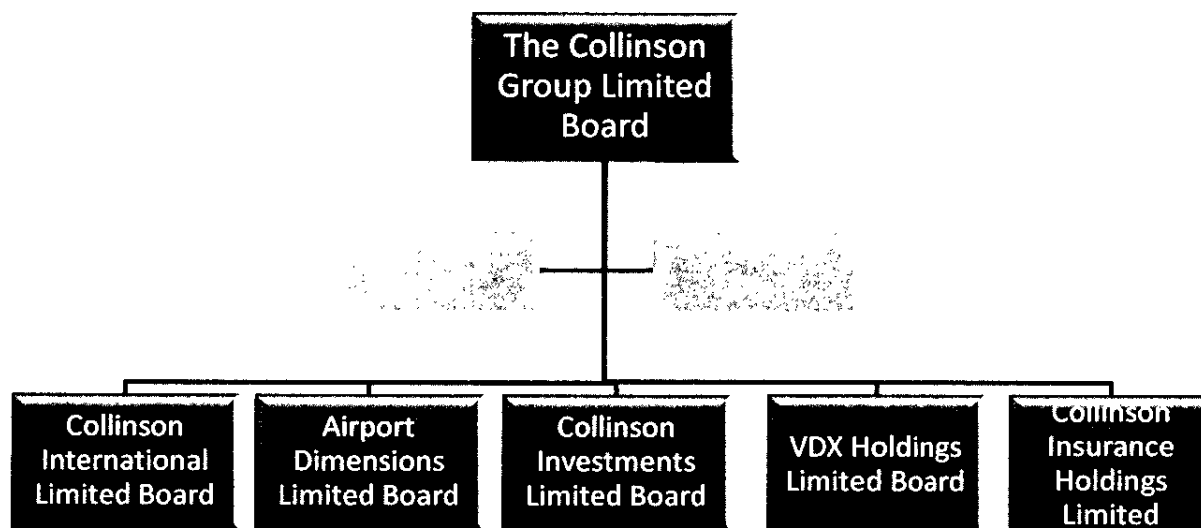
Annual report and financial statements

Corporate Governance

The Board are committed to a robust culture of governance, conduct and ethics reflecting the values of the Collinson Group. Decisions are made considering the impact on the long-term business strategy and considering the impact to multiple Stakeholders. As a private company we have not applied a specific corporate governance code and will continue to monitor corporate governance reform before decided whether it would be beneficial to apply a specific corporate governance code such as the Wates Principles.

Governance Framework

The Group maintains a corporate governance framework of Board and Committees to operate strategic and management decision making. Terms of reference and levels of authority and escalation are clearly defined and a calendar of regular Board and Committee meetings are held. Information is provided to the Board in advance of the meeting and decisions and Minutes are recorded.



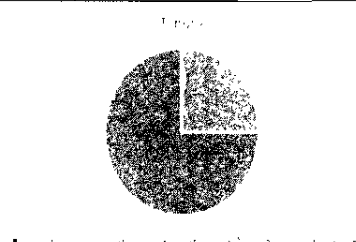
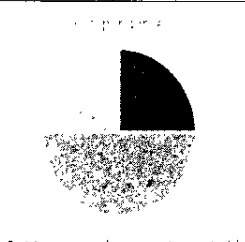
The Collinson Group Limited

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Board Composition

The Board is comprised of four members including one independent non-executive director. Following the resignation of Mark Hampton as Chief Financial Officer in January 2022, a search for a replacement candidate has identified a new CFO who will join the company in November 2022. Following induction, it is anticipated this individual will join the Board.

Colin Evans Chairman	Christopher Evans Joint CEO	David Evans Joint CEO	Lorraine O'Brien Independent NED
	Audit Committee Risk Committee	Audit Committee Risk Committee	Risk Committee



Director Responsibilities

The Board seeks to ensure that necessary financial and non-financial human resources are in place for the Group to be able to meet its objectives, to review management performance and to ensure that its obligations to its shareholders are understood and met. The Board receives regular and timely information on all key aspects of the business including financial performance, strategy, operational, people and market conditions, supported, where possible, by KPIs.


All directors have a clear understanding of their roles and have access to legal and corporate governance advice on their responsibilities or relevant regulations. The board receives briefings and training on new regulations impacting the Group.

The Collinson Group Limited
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Future Outlook

Whilst there is still a degree of uncertainty around the progression of COVID-19 and its long-term impact on the travel industry, there is now clear evidence of a recovery in progress and a growing resilience towards future outbreaks and strains. Our key US domestic market remains buoyant, and Europe is now showing a strong recovery. With COVID-19 considered to be moving to a longer-term endemic status, Collinson Group's unique ability to make the travel journey more personal, more enjoyable, and more assured, positions the company well for continued growth. With refinancing in place, the Group will take full advantage of the recovery by investing in expansion and innovation within our core businesses, our people and acquisitions of new assets to support our overall mission.

This report was approved by the Board and signed on its behalf by

DocuSigned by:

5AE6024836F74D9

C R Evans

Chairman

17 Oct 2022

Cutlers Exchange
123 Houndsditch
London
EC3A 7BU

Directors' report

The Directors present their report and audited financial statements for the year ended 30 April 2022.

Future developments

Likely future developments in the business of the Company are discussed in the strategic report.

Engagement with Stakeholders

Engagement with Employees, Customers, Suppliers, and other stakeholders is discussed in our S172 Statement in the strategic report.

Going Concern

The consolidated and parent company financial statements have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council ('FRC'). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. Based on that assessment the Directors have a reasonable expectation that the Group has sufficient liquid resources and headroom on financial covenants to continue in operational existence for the period from the date of signing the financial statements to January 2024. In making the assessment, the Directors have considered the principal risks to the Group; the current financial performance; forecasts of future financial performance, future operational and capital expenditure; available financing facilities and associated covenants; and realistic actions available to management to mitigate any downside risks.

At the beginning of this financial year the Group successfully negotiated and signed a 5-year financing arrangement (the 'financing arrangement'). The financing arrangement comprises two facilities; a £50m Term Loan and an Acquisition Facility of up to £50m that is available to draw upon until 1 July 2024. The £6.5m revolving credit facility was also repaid and cancelled during FY22 and a new revolving credit facility of £12.5m was secured, of which £5m is earmarked for use on letters of credit with the residual £7.5m available to support short-term working capital needs if required. As required by the terms of the financing arrangement the Group drew down £50m of the Term Loan at the timing of signing on 2 July 2021, and as at 30 April 2022 had also drawn £8m on the Acquisition Facility and it had utilised £1.8m of the £5m carved out for letters of credit under the revolving credit facility.

Taking account of the Group's available cash and access to the revolving credit facility the Group had unrestricted access to £95.4m of liquidity as at 30 April 2022; as at 30 September 2022, the Group still had £81.6m of liquidity available to it. In addition, as at 30 April 2022 the Group still had £42m available to it under the Acquisition Facility which it can use to fund strategic investments to support the continued growth of the business.

In making the going concern assessment the Directors have considered the Group's access to liquidity along with recent financial forecasts and projected liquidity and net debt positions. Management has modelled a base case representing our current outlook of the future expected performance of the business. This reflects the continued increase in volumes in our Travel Experiences and Airport Dimensions businesses as the pace of travel recovery increases and more modest growth across all other divisions with the exception of travel testing in our Assistance business with demand for testing now in decline. Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants.

As set out in the Strategic Report the Directors consider one of the most significant financial risks to the Group at this time is the risk relating to emerging macroeconomic factors. As such the Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a reduction of lounge visit volumes as well as elevated costs compared to our base case. This reflects the risk of a significant slow-down in travel recovery and weaker travel demand due to the cost-of-living crisis and the related inflationary pressures. Whilst the Directors believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Group would breach one or more covenants from July 2023 unless management action was taken. The Directors have therefore identified multiple, realistic, management actions that could be taken to mitigate the impact, including rationalising its overhead base. These mitigating actions are entirely

The Collinson Group Limited

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within management's control, can be put into place at speed, and would enable the Group to remedy any potential breaches and provide sufficient liquidity and headroom over the other financial covenants to continue to operate throughout the going concern period.

The Directors have also considered a reverse stress test which considers a scenario where a combination of individually plausible adverse macroeconomic factors all materialise concurrently and for a sustained period. The Directors believe that the combination of all such factors happening concurrently, which would be necessary to result in a breach of the financial covenants even after allowing for available management accounts, is remote.

Based on the above, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The audited financial statements are presented from page 38. The Company has paid a dividend of £20k for the year (2021: £50k). The Company has not recommended any further dividends.

Directors

The names of the current Directors are listed on page 1.

Insurance of Directors and Officers

The Directors and Officers of the Company are covered under a Directors and Officers liability policy covering the entire Collinson Group. These insurance policies were in force at 30 April 2022 and on the day the Directors' report was approved.

Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and loans. The main purpose of these instruments is to raise funds to finance the Group's operations. In respect of cash, liquidity risk is managed by actively monitoring balances and ensuring that funds are in place to meet liabilities as and when they fall due. Trade receivables are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade payables liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The Group is exposed to fluctuations in exchange rates, most significantly to the US dollar and HK dollar. Foreign exchange risk is partially mitigated by natural hedging and where appropriate managed through the Group's policy of hedging a proportion of forecasted currency requirements through forward foreign currency contracts.

Research and development

The Group is engaged in a programme of research and development in support of the products and services that it provides to its customers, as well as the IT systems used in the running of its businesses. Note 8 to the Financial Statements details the amount spent on research and development.

UK Streamlined Energy and Carbon Reporting (SECR)

The SECR report is presented in our ESG Report within the Strategic Report

The Collinson Group Limited

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Post balance sheet events

On the 27 September 2022 the Group agreed to the sale of its Assistance Companies to Crisis24, a global leader in security risk management and a division of GardaWorld. The Group have retained their Leisure Medical Assistance business which will be carried out within the Insurance division. The sale is conditional on satisfaction and delivery or waiver of certain pre-completion tasks which we envisage will be completed by November 2022.

Disclosure of information to auditors

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

1. as far as each of them is aware, there is no information relevant to the audit of the Company's and Group's financial statements for the year ended 30 April 2022 of which the auditors are unaware; and
2. the director has taken all steps that he/she ought to have taken in his/her duty as director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the annual meeting of the board of directors for the reappointment of Ernst & Young UK LLP as the auditor for the ensuing year.

The Collinson Group Limited
Annual report and financial statements

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and FRS103 'Insurance Contracts').

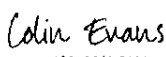
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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 may differ from legislation in other jurisdictions.

On behalf of the board

DocuSigned by:

585 69248301 7401
C R Evans
Chairman

17 Oct 2022

Cutlers Exchange
123 Houndsditch
London
EC3A 7BU

Independent auditor's report to the members of The Collinson Group Limited

Opinion

We have audited the financial statements of The Collinson Group Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 April 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 37 to the Consolidated financial statements (except for the information in note 36.7 which is marked as unaudited) and notes 1 to 12 to the Parent Company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and FRS 103 "Insurance contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 30 April 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to January 2024 from the date 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Independent auditor's report to the members of The Collinson Group Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 33, 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 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 to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of The Collinson Group Limited

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (FRS 102, FRS 103 and the Companies Act 2006) and the relevant tax compliance regulations in the UK and overseas jurisdictions in which the group operates. In addition, the group has to comply with laws and regulations relating to its operations, including health and safety, employment, data protection, anti-bribery and corruption.
- We understood how The Collinson Group Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We determined whether there were deficiencies within the Group's control environment, including entity level controls such as those relating to ethical behaviour and fraud prevention and deterrence, through observations during our audit procedures and discussions with the local component auditors. We corroborated our enquiries through our review of Board minutes, correspondence with tax and other regulatory authorities, significant contracts and agreements impacting the Group in the financial year and noted that there was no contradictory evidence.
- We assessed susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We have also considered the controls that the group has established to address risks identified by the group, or that otherwise seek to prevent, deter or detect fraud. Additionally, we used our knowledge and prior experience of both the business and the industry to determine areas where fraud is more likely to occur, including consideration of areas of judgement and estimation as well as complex transactions. Our procedures involved:
 - Consideration of fraud risks during the planning of and throughout our audit.
 - Inquiring of Management as to the risks of fraud and the controls in place.
 - Understanding the oversight by those charged with governance of Management's controls over fraud risk including the whistleblowing processes.
 - Consideration of the effectiveness of Management's controls designed to address the risk of fraud.
 - Determining an appropriate strategy to address those identified risks of fraud.

Independent auditor's report to the members of The Collinson Group Limited

- We also considered the impact of macroeconomic factors on the group's business.
 - We assessed of the consistency of operations and controls in place as the company used hybrid working for the period under audit and made enquiries of management via the use of video conferencing.
 - We performed analytical review procedures to assess for unusual movements throughout the year.
 - We incorporated data analytics into our testing of revenue recognition. We designed and performed audit procedures to ensure that revenue was recognised in line with contractual terms of services provided and included in the correct accounting period. We tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures using data analytics involved testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Purrington (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
18 October 2022

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Revenue	5	732,674	369,756
Cost of sales		(581,154)	(271,824)
Gross profit		151,520	97,932
Administrative expenses		(142,175)	(132,586)
Operating profit (loss)		9,345	(34,654)
Share of profit (losses) of joint ventures	16	416	(1,436)
Amortisation of goodwill arising on acquisition of joint venture	16	(70)	-
Share of losses of associates	16	(1,027)	(410)
Profit (loss) on ordinary activities before interest		8,664	(36,500)
Interest receivable and similar income	6	228	873
Interest payable and similar charges	7	(5,244)	(945)
Profit (loss) on ordinary activities before taxation	8	3,648	(36,572)
Taxation (charge) credit	12	(1,028)	5,299
Profit (loss) for the year		2,620	(31,273)
Attributable to:			
Owners of the parent		2,603	(30,978)
Non-controlling interests		17	(295)
		2,620	(31,273)
Other comprehensive income:			
Exchange differences on retranslation of foreign operations		10,607	(11,665)
Exchange differences arising on net investments in foreign operations		(14,806)	14,064
Taxation credit (charge) on income and expenses recognised directly in other comprehensive income	12	3,702	(2,672)
Other comprehensive loss for the year, net of taxation		(497)	(273)
Total comprehensive income (loss) for the year		2,123	(31,546)
Attributable to:			
Owners of the parent		1,961	(31,133)
Non-controlling interests		162	(413)
		2,123	(31,546)

The notes on pages 42 to 90 are an integral part of these financial statements.

The Collinson Group Limited
Annual report and financial statements (registered number 11141096)

Consolidated Statement of Financial Position

As at 30 April 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	14	8,776	10,102
Property, plant, and equipment	15	17,411	19,046
Investments	16	5,292	5,281
		31,479	34,429
Current assets			
Deposits with credit institutions	17	4,077	12,749
Trade and other receivables	18	317,661	161,900
Cash and cash equivalents	19	164,928	77,656
		486,666	252,305
Current liabilities			
Creditors: amounts falling due within one year	20	(387,008)	(221,740)
Net current assets		99,658	30,565
Total assets less current liabilities		131,137	64,994
Non-current liabilities			
Creditors: amounts falling due after more than one year	21	(53,576)	(136)
Provision for liabilities	23	(12,151)	(1,783)
Net assets		65,410	63,075
Capital and reserves			
Called up share capital	25	200	200
Retained earnings		63,754	61,813
Equity attributable to the owners of the parent		63,954	62,013
Equity attributable to non-controlling interests		1,456	1,062
Total equity		65,410	63,075

These financial statements were approved by the board of directors and authorised for issue on 17 Oct 2022

DocuSigned by:

Colin Evans

98F6624838E7409

Director

C R Evans

The notes on pages 42 to 90 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 April 2022

	Share capital £'000	Retained earnings £'000	Total equity attributable to the owners of the parent £'000	Non- controlling interest £'000	Total £'000
At 1 May 2021	200	61,813	62,013	1,062	63,075
Profit for the year	-	2,603	2,603	17	2,620
Other comprehensive (loss) income for the year	-	(642)	(642)	145	(497)
Total comprehensive income for the year	-	1,961	1,961	162	2,123
Dividends paid	-	(20)	(20)	-	(20)
Capital injection	-	-	-	232	232
At 30 April 2022	200	63,754	63,954	1,456	65,410
At 1 May 2020	200	92,996	93,196	763	93,959
Loss for the year	-	(30,978)	(30,978)	(295)	(31,273)
Other comprehensive loss for the year	-	(155)	(155)	(118)	(273)
Total comprehensive loss for the year	-	(31,133)	(31,133)	(413)	(31,546)
Dividends paid	-	(50)	(50)	-	(50)
Capital injection	-	-	-	772	772
Other distributions paid	-	-	-	(60)	(60)
At 30 April 2021	200	61,813	62,013	1,062	63,075

The notes on pages 42 to 90 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Net cash from / (utilised in) operating activities	26	46,514	(63,133)
Taxation paid		(5,405)	(1,744)
Taxation refund		4,811	-
Net cash generated from / (used in) from operating activities		45,920	(64,877)
Investing activities			
Interest received		84	184
Payments for forward contracts		-	(403)
Purchase of intangible assets	14	(1,393)	(1,374)
Purchase of property, plant, and equipment	15	(6,282)	(3,245)
Proceeds from disposal of property, plant, and equipment	15	3,042	1
Purchase of subsidiary (net of cash acquired)		(72)	47
Increase in investments in joint ventures	16	(2,555)	-
Increase in investment in associates	16	-	(757)
Increase in other investments	16	(494)	-
Loans to investees		(4,324)	(1,634)
Dividends received		318	-
Cash withdrawn from credit institutions		8,672	10,919
Net cash (used in) / generated from investing activities		(3,004)	3,738
Financing activities			
Interest paid		(3,676)	(363)
Drawdowns from revolving credit facility		-	6,500
Repayment of revolving credit facility		(6,500)	-
Repayment of other loans		(22)	(365)
Government grant loans		381	1,698
Repayments of obligations under finance leases		(58)	(58)
Drawdowns on new loan financing		58,000	-
Loan acquisition costs		(5,360)	-
Dividends paid	13	(20)	(50)
Net amounts received from non-controlling interests		-	17
Net cash generated from financing activities		42,745	7,379
Net increase / (decrease) in cash and cash equivalents		85,661	(53,760)
Cash and cash equivalents at the beginning of the year		77,656	133,354
Effect of foreign exchange rate changes		1,611	(1,938)
Cash and cash equivalents at end of the year	19	164,928	77,656

The notes on pages 42 to 90 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

1 General information

The Collinson Group Limited ('the Company') is a private company limited by shares and incorporated in the United Kingdom. The address of its registered office and principal place of business is Cutlers Exchange, 123 Houndsditch, London, EC3A 7BU. The Collinson Group Limited is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings (together referred to as 'the Group').

Group restructuring

On 2 July 2021, the Group signed a new five-year financing arrangement. One of the conditions for the financing arrangement was for the Group to undertake two reorganisations, the purpose of which was primarily to support the lender's securitisations. Both reorganisations were completed in September 2021 in line with the terms of the agreement. Details of the reorganisation are disclosed in the Strategic Report on page 4. Details of the parent undertaking and ultimate controlling party are disclosed in note 34.

2 Statement of compliance

The consolidated financial statements have been prepared in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), FRS 103 'Insurance contracts' ('FRS 103') and applicable legislation as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

3 Accounting policies

The principal accounting policies applied in the presentation of the consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented.

3.1 Basis of preparation

The consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The consolidated financial statements have been presented in sterling as this is the Group's principal functional currency and rounded to the nearest thousand.

The preparation of financial statements requires management to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(i) Going concern

The consolidated and parent financial statements have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council ('FRC'). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. Based on that assessment the Directors have a reasonable expectation that the Group has sufficient liquid resources and headroom on financial covenants to continue in operational existence for the period from the date of signing the financial statements to January 2024. In making the assessment, the Directors have considered the principal risks to the Group; the current financial performance; forecasts of future financial performance, future operational and capital expenditure; available financing facilities and associated covenants; and realistic actions available to management to mitigate any downside risks.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

At the beginning of this financial year the Group successfully negotiated and signed a 5-year financing arrangement (the 'financing arrangement'). The financing arrangement comprises two facilities; a £50m Term Loan and an Acquisition Facility of up to £50m that is available to draw upon until 1 July 2024. The £6.5m revolving credit facility was also repaid and cancelled during FY22 and a new revolving credit facility of £12.5m was secured, of which £5m is earmarked for use on letters of credit with the residual £7.5m available to support short-term working capital needs if required. As required by the terms of the financing arrangement the Group drew down £50m of the Term Loan at the timing of signing on 2 July 2021, and as at 30 April 2022 had also drawn £8m on the Acquisition Facility and it had utilised £1.8m of the £5m carved out for letters of credit under the revolving credit facility.

Taking account of the Group's available cash and access to the revolving credit facility the Group had unrestricted access to £95.4m of liquidity as at 30 April 2022; as at 30 September 2022, the Group still had £81.6m of liquidity available to it. In addition, as at 30 April 2022 the Group still had £42m available to it under the Acquisition Facility which it can use to fund strategic investments to support the continued growth of the business.

In making the going concern assessment the Directors have considered the Group's access to liquidity along with recent financial forecasts and projected liquidity and net debt positions. Management has modelled a base case representing our current outlook of the future expected performance of the business. This reflects the continued increase in volumes in our Travel Experiences and Airport Dimensions businesses as the pace of travel recovery increases and more modest growth across all other divisions with the exception of travel testing in our Assistance business with demand for testing now in decline. Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants.

As set out in the Strategic Report the Directors consider one of the most significant financial risks to the Group at this time is the risk relating to emerging macroeconomic factors. As such the Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a reduction of lounge visit volumes as well as elevated costs compared to our base case. This reflects the risk of a significant slow-down in travel recovery and weaker travel demand due to the cost-of-living crisis and the related inflationary pressures. Whilst the Directors believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Group would breach one or more covenants from July 2023 unless management action was taken. The Directors have therefore identified multiple, realistic, management actions that could be taken to mitigate the impact, including rationalising its overhead base. These mitigating actions are entirely within management's control, can be put into place at speed, and would enable the Group to remedy any potential breaches and provide us with sufficient liquidity and headroom over our other financial covenants to continue to operate throughout the going concern period.

The Directors have also considered a reverse stress test which considers a scenario where a combination of individually plausible adverse macroeconomic factors all materialise concurrently and for a sustained period. The Directors believe that the combination of all such factors happening concurrently, which would be necessary to result in a breach of the financial covenants even after allowing for available management accounts, is remote.

Based on the above, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.2 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary undertakings, together with the Group's share of the results of jointly controlled entities and associates, for the year ended 30 April 2022.

Subsidiaries are included within the consolidation where the Company has control over such entities, thereby having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to apply the Group's accounting policies when preparing the consolidated financial statements. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity

Entities in which the Group holds an interest, and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement are treated as joint ventures in the consolidated financial statements and are accounted for using the equity method. Entities, which are neither subsidiaries nor joint ventures, in which the Group has significant influence are treated as associates in the consolidated financial statements and are accounted for using the equity method.

Any subsidiaries, joint ventures or associates that are acquired or disposed of during the financial year are included up to, or excluded from, the consolidated financial statements from the date that the Company obtains or loses control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3.3 Foreign currencies

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date the transactions took place. Income and expense items are translated using an average exchange rate for the year where there are limited fluctuations in foreign exchange rates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss. Foreign exchange gains and losses that arise on the translation of monetary items that form part of a net investment in a foreign operation are recognised in other comprehensive income and accumulated in equity.

(ii) Translation

The results of Group undertakings are translated into sterling at the average exchange rate for the year. The assets and liabilities of overseas entities are translated at the exchange rates ruling at the year end and exchange differences arising on retranslation are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods and the rendering of services in the normal course of business, net of discounts and other sales-related taxes. When the outcome of a transaction involving the rendering of services can be estimated reliably, the Group recognises revenue associated with the transaction by reference to the stage of completion of the transaction at the end of the reporting year. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Group; (c) the stage of completion of the transaction at the end of the reporting year can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Group recognises income from the provision of its principal services as set out below:

- (i) Revenue from lounge visits is recognised at the point in time when the visit occurs;
- (ii) Membership fees provide benefits to the customer evenly throughout the membership period. Consequently, revenue from membership fees is recognised on a time basis, straight line over the membership term;
- (iii) Revenue from providing COVID testing services is recognised at the point in time when the testing service is provided;
- (iv) Project revenue is recognised based on the level of work that has been performed to date under the project; thereby reflecting the progress of the project and the value of the work performed;
- (v) Platform fee revenue is recognised in the period to which the fee relates based on when the associated platforms are utilised;
- (vi) Loyalty commissions are earned on customer transactions with 3rd party merchants. The commission revenue is recognised at the point in time when the underlying sale occurs;
- (vii) Insurance mediation and administration fee income for services provided to underwriters is recognised over the period in which the service is rendered. Profit commissions on insurance mediation contracts are recognised in the period it is earned. Commission is determined with reference to the profitability of the underlying business contracted; and
- (viii) Insurance contract premium is recognised as described in note 3.17.

Accounting policies (continued)

3.5 Network commissions payable

The Group sells its Travel Experiences products through a number of channels including large credit card networks. Where these products are sold through credit card networks the Group consider it is the principal in the arrangement, as it has the primary responsibility to deliver the products to the end customers where this entitlement has been secured by way of the credit card networks. The incentives provided to the credit card networks, based on the volumes of memberships and lounge visits sold by the Group, are recognised as a commission to the credit card networks for the volume of business they bring and are recorded in cost of sales.

3.6 Interest receivable and interest payable

Interest income is recognised as it accrues, using the effective interest rate method. Interest payable on loans is calculated using the effective interest rate method.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.7 Taxation

Taxation expense for the year comprises current and deferred taxation. Current taxation is recognised for the amount of income taxation payable in respect of the taxable profit for the current or past reporting periods using the taxation rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred taxation is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future give rise to a deferred taxation liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in taxable assessments in years different from those in which they are recognised in the financial statements.

Deferred taxation is recognised when income or expenses from an interest in a joint venture have been recognised in the financial statements, and will be assessed to or allowed for taxation in a future period, except where: (a) the Company is able to control the reversal of the timing difference; and (b) it is probable that the timing difference will not reverse in the foreseeable future.

Deferred taxation is measured using the taxation rates and laws that have been enacted, or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The taxation expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income taxation assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

3.8 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages, the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at the estimated amount where the consideration is probable and can be measured reliably. Where the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable, or contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, including separately identifiable intangible assets, liabilities, and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities. Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

Goodwill recognised represents the excess of the consideration and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is amortised over its expected useful life (see note 3.9). Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged immediately to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.9 Intangible assets

Intangible assets acquired separately from a business are initially recognised at cost, being the purchase price plus any directly attributable costs. Intangible assets acquired as part of a business combination are measured at fair value. Subsequent to initial recognition, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Intangible assets are tested for impairment where indication of impairment exists at the reporting date, and any impairment is charged immediately to profit or loss.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale;
- The intention to complete the software and use or sell it;
- The ability to use the software or to sell it;
- How the software will generate probable future economic benefits;
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the software; and
- The ability to measure reliably the expenditure attributable to the software during its development.

Other development costs that do not meet these criteria are recognised as an expense as incurred.

Amortisation is charged on a straight-line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

Goodwill	5-10 years
Software Development costs	3-10 years
Acquired software	3-10 years

3.10 Property, plant, and equipment

Property, plant, and equipment are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is charged to administrative expenses in profit or loss, so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life using a straight-line basis as follows:

Leasehold improvements	Shorter of useful economic life or remaining lease term
Computer equipment	2-3 years
Furniture, Fittings and Equipment	5 years
Motor vehicles	4 years

Property, plant, and equipment are tested for impairment where indication of impairment exists at the reporting date, and any impairment is charged immediately to profit or loss.

3.11 Investments

(i) Investments in joint ventures and associated undertakings

Investments in joint ventures and associated undertakings are held at cost less accumulated impairment losses. On acquisition of joint ventures and associated undertakings the Group accounts for any difference between the cost of acquisition and the share of fair value of net identifiable assets as goodwill, which is subsequently amortised over an appropriate timeframe.

(ii) Investments in subsidiary companies

Investments in subsidiary companies in the Company's separate financial statements investments in subsidiaries are stated at cost less accumulated impairment losses.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.12 Leases

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Finance leases are capitalised at commencement of the lease as assets at the lower of the fair value of the leased asset or the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Finance leased assets are depreciated over the shorter of the lease term and the estimated useful life of the assets. The capital element of finance lease obligations is recorded as a liability on inception of the arrangement and payments under finance lease arrangements are apportioned between capital repayment and interest charge, using the effective interest rate method.

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

3.13 Impairment of non-financial assets

At each reporting date the Group reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss in administrative expenses. An impairment loss recognised for all assets, excluding goodwill, is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses recognised on goodwill are not reversed in subsequent years.

3.14 Financial instruments

The Group has chosen to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' in full. The Group holds basic financial instruments, which comprise investments, cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings; and non-basic financial instruments, which comprise derivative instruments.

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Where a financial asset or financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally 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.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets – classified as basic financial instruments

(i) Investments

Investments comprise deposits with credit institutions. Investments are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(iii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Group assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments

(i) Trade and other payables

Trade and other payables are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

(ii) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Derivative instruments – classified as non-basic financial instruments

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates on US dollar and Euro denominated cash flows. Derivative financial instruments are initially measured at fair value at the date at which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward foreign currency contracts is calculated by reference to forward exchange rates derived from market sourced data at the balance sheet date.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.15 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that the obligation will be settled, and when that obligation can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

3.16 Retirement benefits

The Group operates a defined contribution pension plan for its employees. Contributions to the defined contribution pension plan are recognised as an expense when they are due. Obligations not paid are included within accrued expenses in the balance sheet. The assets of the plan are held separately from the Group in an independently administered fund.

3.17 Insurance contracts

Premiums written

Premiums written relate to business incepted during the year and due for payment, together with any differences between booked premiums for prior years and those previously accrued and include estimates of premiums due but not yet receivable or notified, less an allowance for cancellation. Written premiums exclude taxes or duties levied with premiums. Written premiums are reported gross of any commission payable to intermediaries, regardless of how that commission is remitted, reflecting the contractual arrangements in force.

Unearned premiums

Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis, or on the risk profile of the underlying contract.

Deferred acquisition costs

The Group's acquisition costs comprise commissions payable and other related expenses and are deferred over the period to which the related premiums are earned.

Claims incurred

Claims incurred comprise claims and related expense paid in the year and changes in the provision for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any other adjustments to claims from previous years.

Claims provisions and related reinsurance recoveries

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Group. The estimated cost of claims includes expenses to be incurred in settling claims. In calculating the estimated cost of unpaid claims, the Group uses a variety of estimation techniques, generally based on statistical analysis of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared to the cost of previously settled claims. A component of these estimation techniques is usually the estimated cost of notified but not paid claims. Large claims are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims. Provisions are calculated gross of any reinsurance recoveries.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Accounting policies (continued)

3.17 Insurance contracts (continued)

Reinsurance

As part of the normal course of business, the Group enters into reinsurance contracts under which the Group is compensated for losses on insurance contracts issued by the Group. The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within insurance receivables), as well as receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts (classified within reinsurers' share of technical provisions in other receivables). Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities (classified within insurance payables) are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

4 Critical accounting judgements and key sources of estimation uncertainty

Judgements, estimates, and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

4.1 Critical judgements in applying the Group's accounting policies

The critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements are discussed below.

(i) Going concern

The financial statements are prepared on a going concern basis as set out in note 3.1. Determining that the going concern basis is appropriate is an area of judgement and given the continued uncertainty associated with difficult to predict macro-economic and geopolitical matters that may directly or indirectly impact our operating results there is an increased level of uncertainty around this judgement. In determining that it was appropriate to prepare the financial statements on a going concern basis, management have made assumptions as to the future operational performance under a base case and severe but plausible downside scenario. These scenarios show that the Group has sufficient cash and headroom on financial covenants to continue in operation to 31 January 2024, being 15 months from the date of signing the financial statements. Management have determined that this meets the criteria that it is appropriate to prepare the financial statements on a going concern basis.

(ii) Development expenditure

Development costs are capitalised when they meet the criteria set out in the accounting note 3.9. Capitalisation of costs is based on management's judgement that technical and economic feasibility of completing the software development is confirmed, which is usually when a project has reached a defined milestone. In determining the amounts to be capitalised management makes assumptions regarding the expected future value and period of economic benefits of the assets and the discount rates to be applied. Development expenditure that has not met the criteria to be capitalised is included in note 8 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

4 Critical accounting judgements and key sources of estimation uncertainty continued

(iii) Impairment of assets

Management have assessed individual assets for indicators of impairment, considering external and internal sources of information. Judgement has been used in assessing these factors to determine if there are indicators of impairment and can be subject to change as new sources of information become available. Details of the indicators that led management to determine an impairment in property, plant and equipment are included within note 15. Details of the indicators that led management to determine an impairment in investments are included within note 16. Included in note 18 are trade receivables of \$0.9m (£0.7m) relating to receivables due from Russia. Given the economic sanctions currently in place management have assessed the need to impair these receivables but consider there is sufficient evidence that these are recoverable once sanctions have been lifted or a licence granted by HM Treasury.

(iv) Provisions for taxes

In respect of certain tax jurisdictions management has considered whether there is a present obligation to pay taxes and where such is the case whether it was probable that the obligation would be settled and whether the amount could be reasonably estimated. Based on its review of the associated tax legislation management believe there is an obligation to pay taxes in certain jurisdictions and has performed a reasonable estimate based on enacted tax rates and business activity in the regions impacted. The resulting tax provisions are included within note 23.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Determining insurance contract liabilities

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position. Further details on the recognition of insurance contract liabilities are set out in note 36 to the consolidated financial statements.

(ii) Estimation of useful life

The depreciation charge for property, plant and equipment and amortisation charge for intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful life and residual values of assets are reviewed annually by management and have been amended as appropriate to reflect management's current estimate of economic utilisation and for property, plant and equipment, the physical condition of the assets. Refer to notes 3.9 and 3.10 for the useful economic lives for each class of assets.

(iii) Recoverability of receivables

Management have estimated the recoverable value of trade receivables and recognised a provision for amounts that are estimated to not be recoverable. In assessing recoverability management has considered, the aging of the receivables, past experience of recoverability, recent payment behaviour, the credit profile of individual or groups of customers and expected or actual insolvency filings. The assessment is inherently subjective given the forward-looking nature. Refer to note 18 for the carrying value of receivables.

(iv) Tax losses

The origin of the recently incurred tax losses relate to one-off issues such as reduced travel as a result of the pandemic and foreign exchange movements. The Group expects profitability to return to pre-pandemic levels in the forecast period and expects to use the recognised losses over the next three years.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

5 Revenue

An analysis of the Group's revenue by class and category of business is as follows:

	2022	2021
	£'000	£'000
Rendering of services	641,538	289,734
Commissions	11,573	19,327
Gross earned premiums (note 36.2)	79,563	60,695
	732,674	369,756

An analysis of the Group's revenue by geographical market based on destination is as follows:

	2022	2021
	£'000	£'000
United Kingdom	186,403	94,720
Rest of Europe and Middle East	153,005	105,844
North and South America	350,818	134,475
Asia Pacific	40,320	33,867
Africa	2,128	850
	732,674	369,756

6 Interest receivable and similar income

	2022	2021
	£'000	£'000
Interest receivable on cash and cash equivalents	22	22
Interest receivable on deposits with credit institutions	16	103
Other interest receivable	190	254
Gain on derivative financial instruments measured at fair value through profit or loss	-	494
	228	873

7 Interest payable and similar charges

	2022	2021
	£'000	£'000
Interest payable on bank loans and overdrafts	428	527
Interest payable on other loans	4,704	-
Other interest payable	111	-
Finance lease charges (note 22)	1	2
Loss on derivative financial instruments measured at fair value through profit or loss	-	416
	5,244	945

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

8 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2022 £'000	2021 £'000
Amortisation of intangible assets	2,826	3,068
Impairment charge on intangible assets	-	332
Depreciation of property, plant, and equipment	5,031	5,126
Impairment charge on property, plant, and equipment	1,623	-
Impairment charge on investments in joint ventures	193	-
Impairment charge on investments in associates	2,809	332
Impairment charge on other receivables	1,837	615
Impairment charge on inventories	460	-
Restructuring costs	-	177
Government support schemes	(3,927)	(2,291)
Operating lease rentals	8,972	5,964
Research and development expense	-	2,741
Foreign exchange (gain)/loss	(10,287)	7,717

Government support schemes relates to income from government grants and other subsidies in response to the COVID-19 pandemic, including the extinguishment of US government loans of £2.0m (2021: £nil) and qualifying credits of £1.9m (2021: £nil) due to be received in FY23. In addition, the Group received temporary rent concessions during the period of £0.3m (2021: £5.2m) as a direct consequence of the COVID-19 pandemic.

9 Auditor remuneration

An analysis of the auditor's remuneration is as follows:

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the parent Company and Group consolidated accounts	317	244
Fees payable to the Company's auditors and their associates for:		
- The audit of the Company's subsidiaries	1,718	1,390
- Audit-related assurance services	66	108
- Non-audit services	-	-
	2,101	1,742

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

10 Staff costs

The average monthly number of employees (including executive directors) was:

	2022	2021
Production	551	584
Sales and marketing	161	179
Administration	1,032	1,014
	1,744	1,777

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	96,366	78,330
Social security costs	8,924	7,058
Other pension costs	4,069	4,051
	109,359	89,439

11 Directors' remuneration

	2022 £'000	2021 £'000
Emoluments	2,304	2,188
Pension scheme contributions	3	3
	2,307	2,191

The number of directors who:

Are accruing benefits under members of a money purchase pension scheme	Nil	Nil
--	-----	-----

	2022 £'000	2021 £'000
Remuneration of the highest paid director:		
Emoluments	639	780
Pension scheme contributions	-	-
	639	780

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

12 Taxation on profit or loss on ordinary activities

The taxation charge comprises:

	2022 £'000	2021 £'000
Current taxation on profit or loss on ordinary activities		
UK corporation taxation	245	(3,791)
Adjustments in respect of prior years - UK	89	(429)
Overseas corporation taxation	4,755	242
Adjustment in respect of prior years - Overseas	411	(225)
Total current taxation	5,500	(4,203)
Deferred taxation:		
Origination and reversal of timing differences	(5,313)	(1,118)
Adjustments in respect of prior years	841	22
Total deferred taxation	(4,472)	(1,096)
Total taxation charge (credit) on profit or loss on ordinary activities	1,028	(5,299)
	2022 £'000	2021 £'000
Tax (credit) expense included in other comprehensive income		
In respect of exchange differences on net investment in foreign operations	-	2,672
Total current taxation	-	2,672
In respect of exchange differences on net investment in foreign operations	(2,813)	-
Effect of increased tax rate on deferred tax balance	(889)	-
Total deferred taxation	(3,702)	-
Total tax (credit) expense included in other comprehensive income	(3,702)	2,672

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

12 Taxation on profit or loss on ordinary activities (continued)

The taxation charge on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19%. In 2021, the taxation credit on the loss on ordinary activities for the year was lower than the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:

	2022 £'000	2021 £'000
Profit/(Loss) on ordinary activities before taxation	3,648	(36,572)
Income tax calculated at 19% (2021: 19%)	693	(6,949)
Expenses not deductible for tax purposes	1,457	529
Impact of previously unrecognised capital allowances in excess of depreciation and tax rate changes	(753)	1,559
Income not subject to tax	(723)	89
Adjustment in respect of prior years	1,341	(559)
Branch, withholding taxes, local, state, trade and similar taxes	545	263
Excess of overseas tax over UK corporation tax	369	(330)
Recognition, derecognition and utilisation of tax losses	(1,975)	917
Impact of other timing differences on which deferred tax has not been recognised	107	(197)
US AMT tax credit receivable	(33)	(621)
Taxation expense (credit) for year	1,028	(5,299)

No deferred tax asset has been recognised in respect of unutilised tax losses and other temporary differences amounting to £109.6m and £3m respectively (2021: £118.7m and £2.5m). Relief for these losses will only be obtained if there is suitable taxable income arising in future years.

Factors affecting the tax charge

On 23 September 2022, the UK government announced the intention to reverse the planned rise in corporation tax rate to 25% effective from 1 April 2023. This was not substantively enacted at the balance sheet date and therefore has not been taken into account in the measurement of the deferred tax balances. If the deferred tax balances were to be measured at the revised rate, the impact would be a reduction in the relevant deferred tax assets by £1.6m.

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	2022 £'000	2021 £'000
Dividends paid in year	20	50

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

14 Intangible assets

	Goodwill £'000	Software £'000	Total £'000
Cost			
At beginning of year	6,899	25,068	31,967
Additions	41	1,393	1,434
Disposals	(2,402)	(648)	(3,050)
Foreign exchange	-	370	370
At end of year	4,538	26,183	30,721
Amortisation			
At beginning of year	(6,060)	(15,805)	(21,865)
Amortisation charge	(169)	(2,657)	(2,826)
Disposals	2,402	647	3,049
Foreign exchange	-	(303)	(303)
At end of year	(3,827)	(18,118)	(21,945)
Net book value			
At 30 April 2022	711	8,065	8,776
At 30 April 2021	839	9,263	10,102

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

15 Property, plant, and equipment

	Leasehold improvements £'000	Computer equipment £'000	Fixtures, fittings, and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At beginning of year	25,430	4,522	6,580	81	36,613
Additions	5,506	335	441	-	6,282
Disposals	(3,069)	(688)	(440)	-	(4,197)
Foreign exchange	2,960	201	568	-	3,729
At end of year	30,827	4,370	7,149	81	42,427
Depreciation					
At beginning of year	(9,562)	(3,532)	(4,451)	(22)	(17,567)
Depreciation charge	(3,503)	(675)	(833)	(20)	(5,031)
Impairment	(1,623)	-	-	-	(1,623)
Disposals	28	688	440	-	1,156
Foreign exchange	(1,379)	(164)	(408)	-	(1,951)
At end of year	(16,039)	(3,683)	(5,252)	(42)	(25,016)
Net book value					
At 30 April 2022	14,788	687	1,897	39	17,411
At 30 April 2021	15,868	990	2,129	59	19,046

The net carrying amount of assets held under finance leases included in fixtures, fittings and equipment is £60k (2021: £119k).

The disposal in leasehold improvements relates to airport lounge assets that were sold at nil gain or loss as part of a strategic partnership to operate airport lounges on behalf of a third party. A provision for an impairment loss of £1,623k has been recognised in administrative expenses for leasehold improvements relating to one of the Group's airport lounges as a result of a significant decline in guest volumes due to a reduction in flights serving the airport in which the lounge was located.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

16 Investments

	Joint ventures £'000	Associated undertakings £'000	Other investments £'000	Total £'000
Cost				
As at 1 May 2021	1,111	3,874	296	5,281
Additions	2,555	73	1,023	3,651
Profit/(loss) for the year	416	(1,027)	-	(611)
Goodwill amortisation	(70)	-	-	(70)
Dividends received	(318)	-	-	(318)
Impairment	(193)	(2,809)	-	(3,002)
Foreign exchange	472	(111)	-	361
As at 30 April 2022	3,973	-	1,319	5,292

Transactions with participating interest undertakings are disclosed in note 32.

The increase to joint ventures principally relates to a new joint venture agreement for the operation and management of airport lounges in Brazil. The recognition of the investment included an addition of £705k of goodwill, which will be amortised over 10 years. Investments in joint venture arrangements at 30 April 2022 include goodwill relating to this acquisition of £731k (2021: £nil), after the effects of goodwill amortisation of £70k (2021: £nil) and foreign exchange gains of £96k (2021: £nil). The increase to other investments relates to the conversion of a loan note to equity and an additional equity purchase during the year in Cover Genius, an insurtech company.

An impairment of £2.8m (2021: £0.3m) has been recognised in respect of associated undertakings following changes in consumer demand. An impairment of £0.2m (2021: nil) has been recognised in respect of joint venture undertakings due to the associated airport lounges not opening.

17 Deposits with credit institutions

	2022 £'000	2021 £'000
Deposits with credit institutions	4,077	12,749

Deposits with credit institutions consist of deposits held with various credit institutions with maturities of between three months and one year. These deposits earn interest at a rate of 0.44% (2021: 0.02% to 0.48%) per annum.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

18 Trade and other receivables

	2022 £'000	2021 £'000
Due within one year		
Trade receivables	97,886	61,570
Receivables arising out of direct insurance operations (note 36.1)	54,426	22,313
Receivables arising out of reinsurance operations (note 36.1)	377	373
Other receivables	77,941	25,744
Amounts receivable from parent	204	-
Amounts receivable from participating interest undertakings	4,939	2,313
Corporation taxation	3,256	7,021
Prepayments and accrued income	64,465	37,529
Deferred taxation	14,167	5,037
	317,661	161,900

The above disclosure has been represented to disclose amounts receivable from participating interests separately from other receivables, these were previously included in the narrative disclosure. Further information is included in the note 32 related party transactions. Other receivables includes £54.7m (2021: £13.8m) relating to reinsurers share of technical provisions (see note 36.1) and amounts of £4.0m (2021: nil) for security deposits the Group has paid as part of the strategic partnership with JP Morgan Chase. These are fully reimbursed by JP Morgan Chase under this arrangement and a corresponding liability is included within other creditors within note 20. Amounts due falling after more than one year are included in other receivables £5.9m (2021: £1.2m), amounts receivable from participating interest undertakings £4.2m (2021: £1.0m) and in deferred taxation £11.8m (2021: £3.6m).

19 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	154,899	77,656
Short term deposits	10,029	-
	164,928	77,656
Own funds	126,986	54,927
Fiduciary funds	37,942	22,729
	164,928	77,656

Fiduciary funds include amounts held on behalf of clients. Corresponding liabilities are included within other creditors in note 20.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

20 Creditors: amount falling due within one year

	2022 £'000	2021 £'000
Trade creditors	86,460	61,665
Payables arising out of direct insurance operations (note 36.1)	21,177	9,712
Payables arising out of reinsurance operations (note 36.1)	27,869	3,530
Other creditors	31,226	14,851
Obligations under finance leases	58	56
Claims payable (note 36.1)	13,083	7,352
Social security and other taxes	7,004	7,166
Accruals and deferred income	196,133	107,040
Bank and other loans	-	8,135
Corporation taxation	1,864	1,528
Deferred taxation	2,134	705
	387,008	221,740

21 Creditors: amount falling due after more than one year

	2022 £'000	2021 £'000
Bank and other loans	53,533	-
Obligations under finance leases	-	59
Other creditors	43	77
	53,576	136

22 Loans and borrowings

Maturity of debt:

2022	Bank loans £'000	Other loans £'000	Total £'000
Amounts due within one year or less	-	-	-
In more than one year but not more than five years	-	53,533	53,533
	-	53,533	53,533
2021			
Amounts due within one year or less	6,521	1,614	8,135
In more than one year but not more than five years	-	-	-
	6,521	1,614	8,135

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

Loans and borrowings (continued)

In FY21 other loans due within one year or less included a Paycheck Protection Program ('PPP') loan of £1.6m from the US federal government as part of its COVID related support program to help businesses cover salary costs. The loan was extinguished in June 2021 and this is recognised within administrative expenses.

In FY21 bank loans included borrowings of £6.5m that were available to the Group under a revolving credit facility (RCF). During FY22 the Group fully repaid the RCF and rescinded the agreement. In December 2021 the Group agreed a new £12.5m RCF with Barclays Bank plc. £5m of this facility can be used for the issuance of letters of credit, of which £1.4m (\$1.8m) is currently utilised. Interest on the RCF is charged at 2.25% per annum. A commitment fee is charged on the unused portion of the RCF. There are no bank loans outstanding at the end of FY22.

During FY22, the Group entered into a new five-year financing arrangement comprising a Term Loan of up to £50m and an Acquisition Facility of up to £50m. The Acquisition Facility is available to draw on until 1 July 2024. This is included in bank and other loans. The repayment date of the Term Loan and the Acquisition Facility is July 2026. At 30 April 2022 the Term Loan was fully drawn, as required by the terms of the arrangement, and £8m was drawn under the Acquisition Facility. Both loans are charged at SONIA plus a margin of 6.25%. A commitment fee based on 35% of the applicable margin is payable on the unused portion of the Acquisition Facility. After 31 July 2023 the margin ranges from 5.75% to 6.25% depending on the financial condition of the Group. This condition is reported on through quarterly compliance certificates effective from this date. The Group also reports its liquidity to the lenders on a monthly basis.

Total of Group future minimum lease payments under finance leases:

	2022 £'000	2021 £'000
Finance Leases		
Not later than one year	58	58
Later than one year and not later than five years	-	58
Later than five years	-	-
Total gross payments	58	116
Less: finance charges	(1)	(1)
Carrying amount of the liability	57	115

The finance lease relates to fixtures, fittings, and equipment. The remaining lease term is 1 year (2021: 2 years), at the end of which the Group will own the assets.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

23 Provisions for liabilities

	Long term employee benefits £'000	Dilapidation provision £'000	Other taxes provision £'000	Onerous lease provision £'000	Total £'000
At beginning of year	758	1,025	-	-	1,783
Additions	195	187	10,393	251	11,026
Amounts utilised	(50)	-	-	-	(50)
Unused amounts reversed during the year	(20)	(714)	-	-	(734)
Foreign exchange	97	8	-	21	126
At end of year	980	506	10,393	272	12,151

Long term employee benefits: In certain overseas jurisdictions of the Group, employees are legally entitled to end of service payments or paid leave after completing a certain length of qualifying service. Uncertainty around the amount and timing of future outflows arises as a result of variations in employee retention rates, which may vary based on historical experience.

Dilapidation provision: As part of the Group's tenancy agreements for its principal offices there is an obligation to restore properties to their original state at the end of the tenancy agreement. The provision is expected to be utilised between June 2023 and May 2025 when the tenancy agreements terminate. The reduction in FY22 was due to a change in estimate following an external review of a property prompted by the decision to vacate one of the Group's offices.

Other taxes provision: A VAT provision of £4.8m relates to an estimate of amounts payable to tax authorities in individual Member States of the EU following Brexit. The provision is expected to be utilised by April 2023, but timing is uncertain and dependent on completion of VAT registration within the relevant Member State. A sales tax provision of £5.6m relates to estimates of potential liabilities associated with taxes in certain states within the US.

Onerous lease provision: The provision during the year reflects the underutilisation of one of the Group's airport lounges due to a decline in passenger volumes. The lease provision is expected to be utilised by January 2025.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

24 Deferred taxation

	Unutilised tax losses £'000	Capital allowances £'000	Provisions & other timing differences £'000	Fair value adjustments £'000	Goodwill £'000	Total £'000
At beginning of year	2,173	(396)	2,723	(309)	141	4,332
Charged in year	3,375	100	605	(102)	(98)	3,880
Prior year adjustment	(468)	91	(464)	-	-	(841)
Rate changes	463	102	188	-	-	753
Foreign exchange	119	(86)	171	3	-	207
Amount charged to other comprehensive income	2,813	-	-	-	-	2,813
Rate change charged to other comprehensive income	889	-	-	-	-	889
At end of year	9,364	(189)	3,223	(408)	43	12,033
Comprising of:						
Deferred taxation assets	9,364	1,386	3,374	-	43	14,167
Deferred taxation liabilities	-	(1,575)	(151)	(408)	-	(2,134)
	9,364	(189)	3,223	(408)	43	12,033

No deferred tax asset has been recognised in respect of unutilised tax losses and other temporary differences amounting to £109.6m and £3m respectively (2021: £118.7m and £2.5m). Relief for these losses will only be obtained if there is suitable taxable income arising in future years.

The Group has made use of a legally enforceable right to set off current taxation assets against current taxation liabilities, and deferred taxation assets and deferred taxation liabilities, relating to income taxes levied by the same taxation authority. Deferred taxes are presented on a net basis in the statement of financial position.

The Group expects deferred tax assets of £2.3m to reverse in 2023 as losses are utilised and capital allowance pools reduce.

25 Share capital

Ordinary shares of £1 each	2022	2021
	£'000	£'000
Allotted, called-up and fully paid		
200 ordinary shares of £1 each	200	200

The Company has one class of ordinary shares; each share carries one voting right per share with no right to fixed income.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

26 Notes to the cash flow statement

	2022 £'000	2021 £'000
Profit (loss) after taxation	2,620	(31,273)
Adjustments for:		
Taxation	1,028	(5,299)
Interest receivable and similar income	(228)	(873)
Interest payable and similar charges	5,244	945
(Profit) Loss from joint ventures	(346)	1,436
Loss from associates	1,027	410
Operating profit (loss)	9,345	(34,654)
Amortisation of intangible assets	2,826	3,068
Impairment of intangible assets	-	332
Depreciation of property, plant, and equipment	5,031	5,126
Loss on disposal of property, plant, and equipment	1	38
Impairment of property, plant and equipment	1,623	-
Impairment of investments in joint venture	193	-
Impairment of investments in associates	2,809	332
Unrealised foreign exchange (gain) loss	(7,440)	4,989
Provisions utilised	(50)	(2,681)
Working capital movements:		
- (Increase) / decrease in trade and other receivables	(141,110)	25,502
- Increase / (decrease) in trade and other payables	162,994	(65,185)
- Increase / (decrease) in provisions for liabilities	10,292	-
Net cash from / (utilised in) operating activities	46,514	(63,133)

27 Net debt reconciliation

	At beginning of year £'000	Cash flows £'000	Changes in market value and exchange rates £'000	Acquisition of subsidiary £'000	At end of year £'000
Cash and cash equivalents	77,656	85,733	1,611	(72)	164,928
Deposits with credit institutions	12,749	(8,672)	-	-	4,077
Loans and borrowings	(8,135)	(45,345)	(53)	-	(53,533)
Finance leases	(115)	57	-	-	(58)
Net debt	82,155	31,773	1,558	(72)	115,414

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

28 Commitments

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

	Land and buildings	
	2022 £'000	2021 £'000
Not later than one year	16,350	9,353
Later than one year and not later than five years	74,541	23,019
Later than five years	106,784	1,546
Total future minimum lease payments	197,675	33,918

Of the total future minimum lease payments, £133,254k relate to lease arrangements entered into as part of the Group's strategic partnership and contract with JP Morgan Chase, under which the lease and other associated costs are reimbursed to the Group.

The Group had capital commitments associated with development of airport lounges totalling £15,535k at 30 April 2022 (2021: £11,407k). These commitments will be partially funded through the Acquisition Facility the Group has access to under its financing arrangements.

29 Contingent liabilities

Contingent liabilities

There is a fixed and floating charge over all assets of the Group whereby the Group guarantees all amounts due to Kroll Trustee Services Limited (formerly Lucid Trustee Services Limited) the Group who are the agents representing the lenders of our Term Loan and Acquisition Facility. As at the reporting date the amount due to Kroll Trustee Services Limited by certain Group companies was £58m (2021: £nil). In the previous year, there was a fixed and floating charge over all assets of the Group for the guarantee of amounts due to Barclays Bank Plc by the Group. This was satisfied in full during FY22.

30 Off-balance sheet arrangements

The Group has operating leases for land and buildings. The commitments under these arrangements are disclosed in note 28. There are no other off-balance sheet arrangements.

31 Post-retirement benefits

The Group operates a defined contribution pension plan for its UK employees. The pension cost charged represents contributions payable by the Group and amounted to £4,069k (2021: £4,051k). Contributions amounting to £429k (2021: £392k) were outstanding at the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

32 Related party transactions

All transactions listed below were transacted at arms lengths.

During the year the Group entered into the following transactions with other related parties. The transactions entered into, and balances outstanding at 30 April are as follows:

Trading transactions

	Sale of services		Purchase of services		Trade receivable (payable) at 30 April	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Non-wholly owned subsidiaries ⁽¹⁾	2,188	2,425	4,671	1,507	2,061	1,931
Joint ventures	-	-	5,654	775	(624)	-
Associated undertakings	-	-	-	-	-	-
Minority interest entities	-	-	5,109	654	(296)	(46)

Financing transactions

	Loans ⁽²⁾		Loan receivable at 30 April ⁽²⁾		Distributions received (paid)	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Non-wholly owned subsidiaries ⁽¹⁾	-	-	-	561	-	241
Joint ventures	3,760	500	4,939	960	318	-
Associated undertakings	554	426	1,052	524	-	-
Minority interest entities	-	678	721	644	-	(60)

⁽¹⁾ Transactions between non-wholly owned subsidiaries and other group companies are fully eliminated within these consolidated financial statements.

⁽²⁾ Loans to participating interest undertakings are unsecured and at fixed interest rates and are disclosed in note 18. Interest that has not been paid at 30 April is included in the loan receivable. Loans to joint ventures includes amounts of £4.2m (2021: £1.0m) that are due after more than one year. Loans of £1.1m (2021: £0.5m) to associated undertakings were impaired at 30 April.

Other transactions

During the year investments of £1.4m (2021: £2.3m (\$3.0m)) were made into subsidiaries that are not wholly owned by the Group. These are fully eliminated within these consolidated financial statements. Investments into joint ventures and associated undertakings are disclosed in note 16. In addition, during the year amounts of £621k (2021: £585k) were paid on behalf of associated undertakings. At 30 April 2022, £1.3m was outstanding (2021: £0.6m), this was fully impaired at 30 April 2022.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

33 Key management personnel

The Directors consider the key management personnel of the Group to be the Board of Directors and the executive management committee. During the year the total remuneration of the key management personnel was £7,670k (2021: £5,400k).

34 Parent undertaking and ultimate controlling party

The ultimate parent undertaking is Parminder Limited, a company incorporated in the Isle of Man. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Parminder Investment Limited, incorporated in the United Kingdom. Copies of the consolidated financial statements can be obtained from the company secretary at Cutlers Exchange, 123 Houndsditch, London, EC3A 7BU

The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

35 Post balance sheet events

On the 27 September 2022 the Group agreed to the sale of its Assistance Companies to Crisis24, a global leader in security risk management and a division of GardaWorld. The Group have retained their Leisure Medical Assistance business which will be carried out within the Insurance division. The sale is conditional on satisfaction and delivery or waiver of certain pre-completion tasks which we envisage will be completed by November 2022.

36 Insurance contracts

The Group enters into insurance contracts as part of its activities through its wholly owned subsidiaries Astrenska Insurance Limited (AIL) and Collinson Insurance Europe Limited (CIEL) referred to collectively as the 'insurance companies'. As such the Group is required to apply the provisions of FRS 103 'Insurance Contracts' and the provisions of FRS 102 Section 34 'Specialised Activities' in relation to the financial instruments of the insurance companies within the Group. The following section is compliant with these requirements for the relevant items included within the consolidated financial statements. Where appropriate intercompany transactions between the insurance companies have been eliminated; intercompany transactions between the insurance companies and other Group companies are separately disclosed in the notes that follow and are fully eliminated within the consolidated financial statements.

Since March 2019, EU schemes previously written in AIL are now being renewed in CIEL, this follows the decision of the UK to exit the EU and enable the Group to continue to utilise the passporting regime to cover our EEA clients and customers.

During FY22, AIL and CIEL have added significant gross written premium due to a combination of organic growth through the onboarding of travel insurance schemes previously written in our MGA business, coinciding with planned overall travel recovery, as well as new growth, driven through a material new Travel affinity partner win and various other new business successes across Accident & Health and Multi-lines line of business.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.1 Summary results

A summary of the results arising from insurance contracts included within the consolidated financial statements is set out below:

	2022 £'000	2021 £'000
Gross premiums written	123,201	54,432
Earned premiums, net of reinsurance	41,536	44,710
Claims incurred, net of reinsurance	(14,231)	(9,708)
Net operating expense	(25,626)	(33,567)
Consolidated result from the technical accounts of insurance companies	1,679	1,435

Included in operating expenses are amounts with other Group companies of £10,956k (2021: £8,172k).

A summary of the assets and liabilities of the insurance companies as included in the consolidated financial statements is set out below:

	2022 £'000	2021 £'000
Assets		
Investments	14,101	12,749
Reinsurers share of technical provisions	54,749	13,817
Receivables arising out of direct insurance operations	54,426	22,313
Receivables arising out of reinsurance operations	377	373
Other receivables	498	-
Deferred tax	589	226
Cash and cash equivalents	28,381	17,599
Deferred acquisition costs	27,633	10,351
Prepayments and accrued income	207	20
Total assets	180,961	77,448
Liabilities		
Provision for unearned premiums	65,902	24,116
Claims outstanding	13,083	7,352
Payables arising from direct insurance operations	21,177	9,712
Payables arising from reinsurance operations	27,869	3,530
Other payables	2,267	1,857
Accruals and deferred income	20,436	4,560
Total liabilities	150,734	51,127

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.2 Particulars of business

An analysis of gross premiums written, and gross premiums earned by class of business in AIL and CIEL is set out below:

	Gross premiums written		Gross premiums earned		Reinsurance balance	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Accident and health	35,662	20,515	26,205	21,416	16,353	11,492
Assistance	62,655	5,802	30,450	9,052	15,369	4,145
Miscellaneous	20,735	18,470	18,794	14,681	5,069	222
financial loss						
Damage to property	3,439	8,809	3,403	14,799	902	107
Income protection	710	836	711	747	335	19
Total	123,201	54,432	79,563	60,695	38,028	15,985

An analysis of gross claims incurred, gross operating expenses and the reinsurance balance by class of business in AIL and CIEL is set out below:

	Gross claims incurred		Gross operating expenses		Reinsurance balance	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Accident and health	11,040	8,406	4,479	11,585	7,518	11,859
Assistance	11,619	1,813	15,676	2,425	10,899	1,132
Miscellaneous financial	6,613	4,312	12,371	18,358	5,346	821
loss						
Damage to property	484	1,000	1,936	8,716	885	388
Income protection	98	89	336	807	147	36
Total	29,854	15,620	34,798	41,891	24,795	14,236

Included in operating expenses are amounts with other Group companies of £10,956k (2021: £8,172k).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.3 Insurance contract liabilities and reinsurance assets

The reconciliation of changes in balances within this section relate solely to the insurance contracts and reinsurance assets of AIL and CIEL.

The movement in the unearned premium provision during the year was as follows:

	2022		2021	
	Gross provision £'000	Reinsurance asset £'000	Gross provision £'000	Reinsurance asset £'000
At beginning of year	24,116	10,256	27,171	13,208
Increase/(decrease) in provision	42,304	36,244	(3,057)	(3,020)
Exchange gains and losses	(518)	(355)	2	68
At end of year	65,902	46,145	24,116	10,256

The movement in the provision for claims outstanding during the year was as follows:

	2022		2021	
	Gross Provision £'000	Reinsurance asset £'000	Gross provision £'000	Reinsurance asset £'000
At beginning of year	7,353	3,561	10,965	5,327
Claims incurred in current year	28,188	14,382	17,099	8,061
Adjustment to claims incurred in prior years	1,791	1,368	1,270	602
Claims paid during year	(24,130)	(10,615)	(21,993)	(10,430)
Prior year claims	-	-	-	-
Exchange gains and losses	(119)	(92)	11	1
At end of year	13,083	8,604	7,352	3,561

The movement in the deferred acquisition costs during the year is as follows:

	2022		2021	
	Gross asset £'000	Reinsurance liability £'000	Gross asset £'000	Reinsurance liability £'000
At beginning of year	10,351	4,188	11,364	4,618
Deferred	33,414	18,922	28,012	2,244
Amortisation	(15,955)	(2,836)	(29,029)	(2,697)
Exchange gains and losses	(177)	(123)	4	23
At end of year	27,633	20,151	10,351	4,188

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.4 Management of insurance risks

Insurance risks

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is fortuitous. The terms and conditions of the contract set out the bases for the determination of the Group's liability should the insured event occur. The Group predominately writes personal lines insurance in the International Health and Travel classes. The majority of underwriting risk to which the Group is exposed is of a short-term nature in view of the lines of business which it writes.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments are significantly different to the amounts included within technical provisions. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amount of claims and benefits may vary from year to year from the estimate established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location. The Group's book of business consists of individual policies spread across the whole European area, minimising concentration risk. In addition, the company writes a varied number of types of policies, spanning several different classes of business. This brings an inherent diversification to the risk of claims.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risk accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the potential variability of the expected outcome.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The following are considered by the Group to be the most significant:

- (i) The risk of a single event that can extensively affect a multiple of individual risks to which the Group is exposed.
- (ii) The accumulation of multiple claims within the policy limits for risks which the Group underwrites.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy ensures that the risks underwritten are well diversified in terms of type and amount of risk. The Group follows strict underwriting guidelines and sets limits on the overall retention of risk that it carries. Any risk in excess of this limit is reinsured or is declined. Underwriting limits are in place to enforce appropriate risk selection criteria. In certain circumstances, certain exclusions to risks are included within these guidelines. For example, the Group does not insure US risks unless they are incidental. The Group can impose deductibles to help manage its costs. The Group also uses its experience and expertise to mitigate the risk of fraudulent claims. Insurance contracts also entitle the Group to pursue third parties for payment of some or all the costs (i.e. subrogation). A significant portion of the Group's business is underwritten through schemes written through a distribution network where underwriting authority limits are set for individual schemes.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.4 Management of insurance risks (continued)

The directors are of the opinion that a change in the loss ratios will not have a significant effect on the underwriting income/loss in view of the profit commission mechanism in place.

Reinsurance arrangements

The Group has reinsurance protection in place for major classes of business. The type of reinsurance cover, and the level of retention, is based on the Group's internal risk management assessment which considers the risk being covered and the sums assured. The Boards of AIL and CIEL approve each reinsurance program on an annual basis. Reinsurance arrangements, both quota share and excess of loss, reduce the Group's exposure to large individual claims or aggregated losses from a single event and dampen the volatility in the underwriting result. This further mitigates catastrophe risk as well as maintains the residual risk within the risk appetite and tolerance levels of the Group. It is generally the Group's policy for reinsurance with non-Group entities to be placed with listed multinational reinsurance companies whose credit rating is not less than A.

The Board of Directors of the AIL and CIEL have initiated a proportional re-insurance diversification programme which aligns with the growth initiatives for the companies. The proportional re-insurance strategy will build on the knowledge and experience gained from the companies' current relationships and put in place re-insurance partners who will allow AIL and CIEL to grow market opportunities while ensuring they fit within the risk appetite of the Collinson Group as a whole.

Claims handling

The Group has outsourced the claims handling of certain classes, to service providers who investigate and adjust claims. Claims are reviewed individually on a regular basis. The Group actively manages and pursues early settlement for claims to reduce its exposure to unpredictable developments.

Sources of estimation uncertainty in future claims payments

Claims on contracts are accounted for on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered or reported after the end of the contract term. As a result, the estimation of claims includes claims incurred but not reported (IBNR). IBNR claims are generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is generally available. The estimated cost of claims includes direct expenses to be incurred in settling claims. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR and a provision for reported claims not yet paid. The amount of personal injury claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

The impact of COVID-19 has been mitigated by policy wording and proactive claims handling management. The Company's reinsurance programme has provided protection and mitigated the impact of the claim's exposure. In addition, the portfolio provides a strong balance of diversification with other lines of business less impacted and overall potential exposure is limited to less than 5% of the overall underwriting portfolio.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.4 Management of insurance risks (continued)

In calculating the estimated cost of unpaid claims (both reported and not reported), the Group's estimation techniques are a combination of the Bornhuetter-Ferguson method using loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and the Chain-ladder method where an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. An allowance for risk and uncertainty is made within claims outstanding.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For large personal injury claims the IBNR will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately to allow for the possible distortive effect of their development and incidence on the rest of the portfolio. Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each year.

A development of the estimate of ultimate claim cost for claims notified in a given year is presented later in this note. This gives an indication of the accuracy of the Group's estimation technique for claims payments.

Process used to decide on assumptions

The Group uses assumptions based mainly on internal data to measure its claims liabilities. Internal data is derived mostly from the Group's quarterly claims reports. The Group uses several statistical methods to incorporate the various assumptions made to estimate the ultimate cost of claims. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods. Chain-ladder methods may be applied to premiums, paid claims, or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each year that is not yet fully developed to produce an estimated ultimate claims cost for each year.

Chain-ladder techniques are most appropriate for those years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.4 Management of insurance risks (continued)

Sensitivity analysis

The following tables present the sensitivity of the value of insurance liabilities to movements in the assumptions used in the estimation of insurance liabilities. AIL and CIEL pay a profit commission to fellow Group companies that provide insurance administration services. This is calculated on a stepped scale, dependent on the loss ratio after any profit commission paid to reinsurers, on all earned premiums.

Therefore, in considering the impact of a change in the loss ratio assumption on profit after tax and equity, this commission has been taken into consideration. To calculate the sensitivity the loss ratio was changed by increasing or decreasing it by 5%, with all other variables remaining constant.

	2022		2021	
	5% increase £'000	5% decrease £'000	5% increase £'000	5% decrease £'000
Accident and health	114	(114)	45	(45)
Assistance	487	(487)	240	(240)
Miscellaneous financial loss	22	(22)	59	(59)
Damage to property	33	(33)	19	(19)
Income protection	2	(2)	4	(4)
Total impact on gross claims liabilities	658	(658)	367	(367)
Total impact on profit after tax and equity	658	(658)	367	(367)

The total impact on profit after tax and equity of the insurance companies is inclusive of an impact on profit commissions with other Group companies of £628k (2021: £350k).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.4 Management of insurance risks (continued)

Claims development tables

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how AIL's estimate of total claims outstanding for each accident year has changed at successive year-ends and CIEL's current estimate of cumulative claims. The table reconciles to the cumulative claims to the amount appearing in the statement of financial position.

(a) Claims outstanding – gross

Underwriting year	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	Total £'000
Estimate of ultimate claims costs:											
- At end of reporting period	1,485	1,277	667	1,338	1,838	1,267	1,346	1,806	1,714	4,782	17,520
- One year later	9,209	9,879	12,483	17,448	20,063	14,738	16,457	11,391	21,613	-	133,281
- Two years later	12,659	25,451	22,130	24,787	26,377	22,098	20,638	16,559	-	-	170,699
- Three years later	12,441	21,389	21,524	24,807	27,017	22,230	20,463	-	-	-	149,871
- Four years later	12,346	21,252	21,363	24,148	26,764	22,053	-	-	-	-	127,926
- Five years later	12,422	21,228	21,423	24,147	26,392	-	-	-	-	-	105,612
- Six years later	12,341	21,230	21,339	24,147	-	-	-	-	-	-	79,057
- Seven years later	12,341	21,221	21,330	-	-	-	-	-	-	-	54,892
- Eight years later	12,332	21,182	-	-	-	-	-	-	-	-	33,514
- Nine years later	12,332	-	-	-	-	-	-	-	-	-	12,332
Current estimate of cumulative claims	12,332	21,182	21,330	24,147	26,392	22,053	20,463	16,559	21,613	4,782	190,853
Cumulative payments to date	(12,332)	(21,182)	(21,314)	(24,114)	(26,350)	(21,728)	(20,308)	(15,152)	(14,047)	(1,270)	(177,797)
Liability recognised at the reporting date	-	-	16	33	42	325	155	1,407	7,566	3,512	13,056
Provision in respect of prior years											27
Provisions for adverse deviation and shock loss											-
Total provision included in statement of financial position at 30 April 2022											13,083

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.4 Management of insurance risks (continued)

(b) Claims outstanding – net

Underwriting year	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	Total £'000
Estimate of ultimate claims costs:											
- At end of reporting period	987	1,129	516	748	1,356	905	817	876	914	993	9,241
- One year later	3,920	4,750	6,454	11,721	13,170	10,655	9,257	6,625	9,669	-	76,221
- Two years later	4,920	17,245	10,800	15,810	18,491	14,554	13,104	11,464	-	-	106,388
- Three years later	4,693	13,772	10,295	16,096	19,054	14,398	13,219	-	-	-	91,527
- Four years later	4,724	13,739	10,555	16,040	18,856	14,291	-	-	-	-	78,205
- Five years later	4,767	13,615	10,650	16,001	18,490	-	-	-	-	-	63,523
- Six years later	4,721	13,623	10,602	15,990	-	-	-	-	-	-	44,936
- Seven years later	4,721	13,610	10,592	-	-	-	-	-	-	-	28,923
- Eight years later	4,717	13,590	-	-	-	-	-	-	-	-	18,307
- Nine years later	4,717	-	-	-	-	-	-	-	-	-	4,717
Current estimate of cumulative claims	4,717	13,590	10,592	15,990	18,490	14,291	13,219	11,464	9,669	993	113,015
Cumulative payments to date	(4,717)	(13,590)	(10,590)	(16,086)	(18,459)	(14,244)	(13,131)	(10,769)	(6,720)	(259)	(108,565)
Liability recognised at the reporting date	-	-	2	(96)	31	47	88	695	2,949	734	4,450
Provision in respect of prior years											28
Provisions for adverse deviation and shock loss											-
Total provision included in statement of financial position at 30 April 2022											4,478

AIL and CIEL hold the following financial instruments, other than those arising from insurance contracts:

	2022 £'000	2021 £'000
Financial assets that are debt instruments measured at amortised cost		
Deposits with credit institutions	14,101	12,749
Cash and cash equivalents	28,381	17,599

The carrying value of these financial instruments is considered to approximate to their fair value at the reporting dates.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.6 Financial risk management of the insurance companies

AIL and CIEL are exposed to a range of financial risks, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk. The specific risks that AIL and CIEL face due to the nature of their investments and liabilities are currency risk, credit risk and liquidity risk.

(i) Market risk

Interest rate risk

Since fixed rates of interest are earned on all deposits with credit institutions, investment returns will not fluctuate because of changes in market interest rates. However, if the Group decided to reinvest the funds, then the impact on the interest rates and the ultimate investment return will be subject to fluctuations as a result of the current economic climate.

Currency risk

AIL and CIEL manage foreign exchange risk against their functional currency. Foreign exchange arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. AIL and CIEL are exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than Sterling. AIL and CIEL seek to mitigate the risk by matching the estimated foreign currency denominated liabilities in the same currency by holding claims liabilities in the currency of the liability.

	Financial assets		Financial liabilities	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Sterling	98,243	40,325	76,297	24,850
Euro	84,171	40,356	77,929	29,977
US dollar	1,395	1,440	1,420	113
Norwegian Kroner	1,577	1,402	201	107
Other	149	285	10	7
	185,535	83,808	155,857	55,054

The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency by holding its claims liabilities in the currency of the liability

Financial assets include financial investments, receivables, cash at bank and in hand and accrued interest.

Insurance liabilities include claims outstanding and payables, excluding accrued commissions payable on accrued income.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.6 Financial risk management of the insurance companies (continued)

As at 30 April 2022, if the Pound had weakened / strengthened by 10% against other currencies, with all other variables held constant, profit for the year and equity for AIL would have been lower / higher as illustrated in the table below.

	2022 £'000	2021 £'000
Sterling increases by 10%		
Euro	(81)	(620)
US dollar	20	(121)
Other	(2)	(9)
	(63)	(750)
Sterling decreases by 10%		
Euro	81	620
US dollar	(20)	121
Other	2	9
	63	750

As at 30 April 2022, if the Euro, the functional currency of CIEL, had weakened / strengthened by 10% against other currencies, with all other variables held constant, the net impact on pre-tax profit for the year would be £164k (2021: £158k).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.6 Financial risk management of the insurance companies (continued)

(iii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries; and
- counterparty risk with respect to cash deposits.

The Group manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to regular review.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy.

Exposure to credit risk in respect of amounts due from policyholders is mitigated by the Group's large customer base and the low average level of balances outstanding. AIL and CIEL are not exposed to concentrations of credit risk in respect of policyholders. There is also mitigation by the operation of controls in this area, including payment on policy acceptance and automated cancellation procedures for policies in default.

The assets bearing credit risk are summarised below, together with an analysis by credit rating. Debtors other than amounts due from reinsurers and Group companies, have been excluded from the table as these are not rated.

	Fitch AA £'000	Fitch A+ £'000	Fitch A £'000	Not rated £'000	Total £'000
2022					
Other financial investments	-	4,077	10,024	-	14,101
Cash and cash equivalents	14,661	-	13,308	412	28,381
Arising out of reinsurance operations	377	-	-	-	377
	15,038	4,077	23,332	412	42,859
	Fitch AA £'000	Fitch A+ £'000	Fitch A £'000	Not rated £'000	Total £'000
2021					
Other financial investments	-	6,088	6,661	-	12,749
Cash and cash equivalents	11,494	-	5,923	182	17,599
Arising out of reinsurance operations	373	-	-	-	373
	11,867	6,088	12,584	182	30,721

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.6 Financial risk management of the insurance companies (continued)

The financial assets that are past due, but not impaired at the reporting date are set out below.

	Total £'000	Neither past due nor impaired £'000	Past due but not impaired		
			< 60 days £'000	60-120 days £'000	> 120 days £'000
2022					
Intermediaries	53,633	53,464	20	148	1
Policy holders	793	793	-	-	-
Receivables arising out of reinsurance operations	377	377	-	-	-
Other debtors	498	498	-	-	-
Amounts owed by Group undertakings	4,571	4,571	-	-	-
Accrued interest	10	10	-	-	-
	59,882	59,713	20	148	1
2021					
Intermediaries	10,162	8,816	941	339	66
Policy holders	12,151	11,409	-	742	-
Receivables arising out of reinsurance operations	373	373	-	-	-
Amounts owed by Group undertakings	6,359	6,359	-	-	-
Accrued interest	20	20	-	-	-
	29,065	26,977	941	1,081	66

An allowance has been made for estimated irrecoverable amounts from insurance customers, determined by reference to past default experience. All amounts that have not been provided for are expected to be recoverable. The table below shows the movement in the impairment allowance during the year.

	2022 £'000	2021 £'000
At beginning of year	46	151
Increase in provision	16	(105)
Provision released in year	-	-
At end of year	62	46

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.6 Financial risk management of the insurance companies (continued)

(iii) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The primary liquidity risk is the obligation to pay claims to policyholders as they fall due.

The projected settlement of these liabilities is modelled, on a regular basis, using actuarial techniques. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand. The table below analyses the maturity of AIL's and CIEL's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows. The amounts disclosed in the table represent undiscounted cash flows.

	Timing of cash flows				Total £'000
	Within one year £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000	
2022					
Claims outstanding	10,991	1,810	274	8	13,083
Payables arising from direct insurance operations	21,177	-	-	-	21,177
Payables arising from reinsurance operations	27,869	-	-	-	27,869
Other payables excluding taxation and social security	2,267	-	-	-	2,267
Amounts owing to Group undertakings	5,121	-	-	-	5,121
	67,425	1,810	274	8	69,517

	Timing of cash flows				Total £'000
	Within one year £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000	
2021					
Claims outstanding	5,291	1,649	382	30	7,352
Payables arising from direct insurance operations	9,712	-	-	-	9,712
Payables arising from reinsurance operations	3,530	-	-	-	3,530
Other payables excluding taxation and social security	1,857	-	-	-	1,857
Amounts owing to Group undertakings	3,927	-	-	-	3,927
	24,317	1,649	382	30	26,378

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

36 Insurance contracts (continued)

36.7 Capital management of the insurance companies

AIL is regulated by the Prudential Regulation Authority and CIEL is regulated by the Malta Financial Services Authority. Both AIL and CIEL are subject to Solvency II requirements. The Solvency II Directive (2009/138/EC) introduced risk-based, regulatory requirements that ascertain the level of required regulatory capital to be held based on the nature and quantum of risks that each company is or could be exposed to. Under Solvency II AIL and CIEL are required to meet a Solvency Capital Requirement (SCR) to ensure each company is able to meet its obligations over the next 12 months as well as a Minimum Capital Requirement (MCR) being the threshold below which the national regulator would intervene.

As a consequence, the Directors manage the capital with the following objectives:

- to comply with the insurance capital requirements to hold eligible own funds to cover the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR");
- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to maintain financial strength to support new business growth;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently to support growth; and
- to manage exposures to movement in exchange rates.

AIL and CIEL manage their capital in accordance with their Capital Management Policy which sets their objectives, policy, and processes, which includes:

- capital planning to ensure the companies hold the right amount of capital to meet their objectives; and
- capital allocation to ensure the companies maximise their capital returns.

The capital supporting the underwriting within the Group consists primarily of ordinary share capital and other shareholder funds. The Group will also consider alternative sources of capital, including reinsurance and securitisation, as appropriate, when assessing its deployment and usage of capital.

Both companies aim to ensure sufficient capital is held in excess of their SCR and MCR at all times. As at the reporting date on an aggregated basis AIL and CIEL had available capital to meet Solvency requirements of approximately – £26.5m (unaudited) (2021: £28.5m (unaudited)) against a combined SCR of £19.4m (unaudited) (2021: £17.7m (unaudited)).

During the year the changing capital position of AIL and CIEL and the three year planning cycle are both reviewed. During the current year At the Board meeting 30th November 2021, it was agreed that AIL would issue a dividend to its parent company of £1.3m, while CIEL received additional share capital injection from CHEL of £1.3m to support the future growth plans.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

37 Investments in subsidiary and related undertakings

At 30 April 2022 the Group has investments in the following subsidiary undertakings, joint ventures, and associates:

Name	Country of incorporation	Ordinary shares held %	Registered address
Investment Companies			
AD Overseas Holdings Inc	United States	100%	2
AD Partnership Holdings, Inc.	United States	100%	2
Airport Dimensions Holdings Limited	United Kingdom	100%*	1
Airport Dimensions Partnership Holdings Ltd	United Kingdom	100%	1
ALD US Holdings Inc.	United States	100%	2
Astrenska Insurance Holdings Limited	United Kingdom	100%	1
Collinson Finance Limited	United Kingdom	100%	1
Collinson Group (Trademarks) Limited	Malta	100%	6
Collinson Holdings (Hong Kong) Limited	Hong Kong	100%	4
Collinson Holdings Europe Limited	Malta	100%	6
Collinson Insurance (Holdings) Limited	United Kingdom	100%*	1
Collinson Insurance Group Limited	United Kingdom	100%	1
Collinson International Limited	United Kingdom	100%*	1
Collinson Investments Limited	United Kingdom	100%*	1
IAPA (Holdings) Limited	United Kingdom	100%	1
International Customer Loyalty Programmes (Holdings) Limited	United Kingdom	100%	5
International Customer Loyalty Programmes (Overseas Holdings) Limited	United Kingdom	100%	1
Priority Travel Group (Holdings) Limited	United Kingdom	100%	1
Priority Travel Group (USA) Limited	United States	100%	2
The Collinson Group (Asia) Pte. Limited	Singapore	100%	11
The Collinson Group (IT) Limited	United Kingdom	100%	5
The Collinson Group (Overseas Holdings) Limited	United Kingdom	100%	1
The Collinson Group (USA) Limited	United States	100%	2
The Collinson Group Australia Pty Limited	Australia	100%	8
Valuedynamx Holdings Limited	United Kingdom	100%*	1

* Shareholding is held by The Collinson Group Limited. All other undertakings are indirectly held.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

37 Investments in subsidiary and related undertakings (continued)

Name	Country of incorporation	Ordinary shares held %	Registered address
Airport Lounge Development services			
AD Partnership Holdings, Inc.	United States	100%	3
AD Partnership, LLC	United States	100%	3
Airport Dimensions Participacoes Ltda	Brazil	100%	18
Airport Dimensions Partnership Ltd	United Kingdom	100%	1
Airport Lounge Development Inc.	United States	100%	3
Airport Lounge Development Limited	United Kingdom	100%	1
Airport Lounge Operations LLC	United States	80%	3
ALD Asia Pacific Limited	Hong Kong	100%	4
ALD CLE Holdings LLC	United States	100%	3
ALD Development Corp.	United States	100%	2
ALD Flohport LLC	United States	85%	14
ALD GLN Holdings LLC	United States	100%	3
ALD MSY Holdings LLC	United States	100%	3
ALD OGH UK Limited	United Kingdom	75%	1
ALDJCM LLC	United States	75%	15
ONGROUND Hospitality LLC	United Arab Emirates	100%	24
The Club At Phx Inc.	United States	100%	19
Travel and membership services			
Collinson Inspur Limited	Hong Kong	100%	4
Collinson Peru S.A.C.	Peru	100%	22
Collinson Services India LLP	India	100%	10
Frequent Flyer Club Of America, Inc.	United States	100%	3
IAPA (Travel Services) Inc.	United States	100%	2
International Airline Passengers Association (EAME) Limited	United Kingdom	100%	25
International Airline Passengers Association (Far East) Limited	Hong Kong	100%	4
International Airline Passengers Association (Group Publications) Limited	United Kingdom	100%	1
Lounge Gateway Limited	United Kingdom	100%	1
Lounge Key AP Limited	Hong Kong	100%	4
Lounge Key Inc.	United States	100%	2
Lounge Key Limited	United Kingdom	100%	1
Priority Pass (A.P.) Limited	Hong Kong	100%	4
Priority Pass (Asia) Pte. Limited	Singapore	100%	11
Priority Pass Inc.	United States	100%	3
Priority Pass Limited	United Kingdom	100%	1
The Executive Club International Limited	United Kingdom	100%	25
Worldwide Travel Concierge Limited	United Kingdom	100%	25

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

37 Investments in subsidiary and related undertakings (continued)

Name	Country of incorporation	Ordinary shares held %	Registered address
Insurance and assistance services			
Astrenska Insurance Limited	United Kingdom	100%	1
Collinson Assistance Services Inc	United States	100%	2
Collinson Assistance Services Limited	United Kingdom	100%	1
Collinson Group South Africa (Pty) Limited	South Africa	100%	13
Collinson IG (Management) Limited	United Kingdom	100%	1
Collinson Insurance Brokers Inc.	United States	100%	2
Collinson Insurance Brokers Limited	United Kingdom	100%	1
Collinson Insurance Europe Limited	Malta	100%	6
Collinson Insurance Services Limited	United Kingdom	100%	1
Collinson Insurance Solutions Europe Limited	Malta	100%	6
Collinson Service Solutions Limited	United Kingdom	100%	1
Columbus Direct Travel Insurance Pty Limited	Australia	100%	8
Columbus Insurance Services Limited	United Kingdom	100%	1
Global Claims Services Limited	United Kingdom	100%	25
Intana Global Limited	United Kingdom	100%	1
Mediquote Limited	United Kingdom	100%	5
Preferential Direct Limited	United Kingdom	100%	1
PTI Company Limited	Gibraltar	100%	20
Shared administration services			
Collinson (Central Services) Limited	United Kingdom	100%	1

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

37 Investments in subsidiary and related undertakings (continued)

Name	Country of incorporation	Ordinary shares held %	Registered address
Loyalty, marketing, and related services			
Bienvenue Financière	France	100%	7
Collinson (ASPAC) Pte. Limited	Singapore	100%	12
Collinson (Japan) K.K.	Japan	100%	21
Collinson (Product Innovation) Limited	United Kingdom	100%	5
Collinson (Shanghai) Co., Limited.	China	100%	9
Collinson (Singapore) Pte. Limited.	Singapore	100%	12
Collinson (USA) Inc.	United States	100%	2
Collinson Consultoria Em Fidelização Limitada	Brazil	100%	16
Collinson Do Brasil Desenvolvimento De Softwares E Serviços Limitada	Brazil	100%	17
Collinson Group Pty Limited	Australia	100%	8
Collinson Inc.	United States	100%	2
Collinson International (Hong Kong) Limited	Hong Kong	100%	4
Collinson Latitude (AP) Limited	Hong Kong	100%	4
Collinson Loyalty & Benefits Private Limited	India	100%	10
Collinson SAS	France	100%	7
Collinson Technology Services Limited	United Kingdom	100%	25
ICLP Limited	Switzerland	100%	23
ICLP Worldwide Limited	United Kingdom	100%	1
International Customer Loyalty Programmes Limited	United Kingdom	99%	1
Partnership Marketing Agency Limited	United Kingdom	100%	1
Partnership Marketing Agency Limited (HK)	Hong Kong	100%	4
Valuedynamx Inc.	United States	100%	2
Valuedynamx Limited	United Kingdom	100%	1
Valuedynamx Pty Ltd	Australia	100%	8
Vivid Lime Limited	United Kingdom	100%	1

The proportion of voting power held is the same as the proportion of ownership interest. The Consolidated Financial Statements incorporate the financial statements of all entities controlled by the Company as at 30 April each year. Refer to note 3.2 for further description of the method used to account for investments in subsidiaries.

Name	Country of incorporation	Ordinary shares held %	Registered address
Joint Ventures			
Ambar Lounge FOR Espaço VIP Ltda	Brazil	50%	26
Ambar Lounge VCP Espaço VIP Ltda	Brazil	50%	27
Global Lounge TK MIA Term E, LLC	United States	50%	28
NAS ALD Mena LLC	United Arab Emirates	50%	29
SwissportALD Holdings Ltd	United Kingdom	49%	30
OGH Gulf Hospitality WLL	Qatar	49%	31
Associates			
Inflyter SAS	France	49%	32
Cursus Technologies Inc.	United States	33%	33

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

37 Investments in subsidiary and related undertakings (continued)

Company registered office addresses

Number	Registered address
1	Cutlers Exchange, 123 Houndsditch, London, EC3A 7BU
2	1209 Orange Street, Corporation Trust Center, New Castle County, Wilmington DE 19801
3	1999 Bryan Street, Suite 900, Dallas TX 75201
4	16th Floor Iaikoo Place, Oxford House, 979 King's Road, Quarry Bay, Hong Kong
5	C/O Mazars LLP, 30 Old Bailey, London, EC4M 7AU
6	Third Floor, Development House, St. Anne Street, Floriana, FRN 9010, Malta
7	85 rue Pierre Duhem, 13290 Aix-en-Provence, France
8	Level 13, 124 Walker Street, North Sydney NSW 2060
9	Suite 925, No. 706 Huashan Road, Pudong New District, Shanghai
10	501-505, Ascot Centre, Next to Hotel Hilton, Sahar Road, Andheri (E) Mumbai MH 400099
11	150 Cecil Street, #14-01, 069543, Singapore
12	152 Beach Road, #20-01/04 Gateway East, Singapore 189721
13	Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 South Africa
14	4400 Easton Commons Way, Suite 125, Columbus OH 43219
15	1202 Camp St, New Orleans, LA 70130
16	Avenida Angelica, 2447 – 1st Floor, Rooms 11 – 16, Sao Paulo/SP, Consolacao, 01227-200
17	Av Brigadeiro Luis Antonio, 2050, Andar 15 Sala 10, Bela Vista, Sao Paulo, CEP 01318-002
18	Alameda Franca 1050 mm floor Jardins in the city of São Paulo CEP 01422 001
19	CT Corporation system, 3800 N Central AVE STE 460, Phoenix, AZ 85012, USA
20	Montagu Pavilion Building, 8-10 Queensway, Gibraltar
21	21-21, Akasaka 3-chome, Minato-ku, Tokyo
22	456 Av. Camino Real, Urb. Centro Comercial Camino Real, San Isidro, Lima
23	Schiffbaustrasse 8, 8005 Zürich, Switzerland
24	Abu Dhabi International Airport, Business Centre, Executive Desk 040, Abu Dhabi
25	C/O Mazars Llp Tower Bridge House, St Katharines Way, London, E1W 1DD
26	Avenida Senador Carlos Jereissati, number 3000, T1, 3rd floor, LUC T1. N3.022, bairro / airport district, municipality Fortaleza – CE, CEP 60.741-900
27	Avenida Senador Carlos Jereissati, número 3000, T1, 3º andar, LUC T1.N3.022, bairro distrito Aeroporto, município Fortaleza – CE, CEP 60.741-900
28	Schwartz, Frank, 100 Biscayne Blvd , Suite 1300, Miami, FL 33132 US
29	Abu Dhabi International Airport, Business Park 01, Office No. 112, Abu Dhabi
30	2nd Floor, Building 14, Arkaan Block, Barwa Commercial Avenue, P.O. Box. 31487, Doha, Qatar
31	Swissport House Hampton Court, Manor Park, Runcorn, Cheshire, United Kingdom, WA7 1TT
32	191-195 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France
33	3302 Canal Street, Suite 13, Houston TX 77003

Notes to the Consolidated Financial Statements

For the year ended 30 April 2022

37 Investments in subsidiary and related undertakings (continued)

For the year ended 30 April 2022 certain subsidiary undertakings were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to the audit of accounts. The members of the following subsidiary undertakings have not required them to obtain an audit of their financial statements for the year ended 30 April 2022.

Subsidiary undertaking	Registered number
Airport Dimensions Holdings Limited	11291574
Airport Dimensions Partnership Holdings Limited	13411751
Astrenska Insurance Holdings Limited	10330418
The Collinson Group (Overseas Holdings) Limited	06607918
Collinson Assistance Services Limited	11908215
Collinson Insurance Group Limited	06312711
Collinson Insurance (Holdings) Limited	06311859
Collinson Investments Limited	11524334
Collinson Service Solutions Limited	02474708
Columbus Insurance Services Limited	02642155
ICLP Worldwide Ltd	06297514
Intana Global Limited	04241693
International Customer Loyalty Programmes (Holdings) Limited	06311788
International Customer Loyalty Programmes (Overseas Holdings) Limited	06312662
Partnership Marketing Agency Limited	05732839
Preferential Direct Limited	03375210
Priority Travel Group (Holdings) Limited	06309844
Valuedynamx Holdings Limited	13366172
Vivid Lime Ltd	03924823

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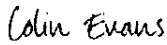
Company Statement of Financial Position

As at 30 April 2022

	Note	2022 £'000	Restated 2021 £'000
Non-current assets			
Investments	5	37,410	7,988
		37,410	7,988
Current assets			
Trade and other receivables	6	304	293
Cash at bank		5	-
		309	293
Current liabilities			
Trade and other payables	7	(29,726)	(213)
		(29,726)	(213)
Net current (liabilities) assets		(29,417)	(80)
Net assets		7,993	8,068
Capital and reserves			
Called up share capital	8	200	200
Retained earnings		7,793	7,868
Total equity		7,993	8,068

The loss for the year of the Company was £55k (2021: profit of £36k).

These financial statements were approved by the Board of Directors and authorised for issue on *17 Oct 2022*

DocuSigned by

 08E66749 16F7409
Director
 C R Evans

The notes on pages 93 to 96 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 April 2022

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 May 2021	200	7,868	8,068
Loss for the year	-	(55)	(55)
Other comprehensive income	-	-	-
Total comprehensive income	-	(55)	(55)
Dividends paid	-	(20)	(20)
At 30 April 2022	200	7,793	7,993
At 1 May 2020	200	7,882	8,082
Profit for the year	-	36	36
Other comprehensive income	-	-	-
Total comprehensive income	-	36	36
Dividends paid	-	(50)	(50)
At 30 April 2021	200	7,868	8,068

The notes on pages 93 to 96 are an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 30 April 2022

1 General information

The Collinson Group Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom. The address of its registered office and principal place of business is Cutlers Exchange, 123 Houndsditch, London, EC3A 7BU.

The Company financial statements have been presented in Pounds Sterling as this is the Company's functional currency, being the primary economic environment in which the Company operates.

For the period ended 30 April 2022 the principal activity of the Company is that of a group holding company.

Restatement of prior year balances

The prior year balances for investments in subsidiary undertakings and trade and other payables (amounts owed to group undertakings) have been restated to correct a clerical error. This had the effect of reducing both investments in subsidiaries and trade and other payables (amounts owed to group undertakings) by £999k.

2 Basis of preparation

The Company financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company is included in the consolidated financial statements of its parent undertaking, The Collinson Group Limited (formerly Collinson Investments Limited).

In preparing these financial statements, the Company has taken advantage of the following exemptions:

- I. from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows';
- II. from disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- III. from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by FRS 102 paragraph 4.12.

On the basis that equivalent disclosures are given in the consolidated financial statements the Company has also taken advantage of the exemption not to provide:

- IV. the disclosure requirements of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

The Company has taken advantage of the exemption available under Section 408 in the Companies Act 2006 not to present its individual statement of comprehensive income.

The Company financial statements have been prepared on a going concern basis as further described in note 3.1 to the consolidated financial statements.

3 Accounting policies

The accounting policies applied by the Company are set out within the accounting policies of the consolidated financial statements presented on pages 42 to 51.

Notes to the Company Financial Statements

For the year ended 30 April 2022

4 Critical accounting judgments and key sources of estimation uncertainty

Judgements, estimates, and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

4.1 Critical judgements in applying the Company's accounting policies

(i) Assessing indicators of impairment in investments in subsidiary undertakings

In assessing whether there have been any indicators of impairment, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of receivables

Management estimates the recoverable value of receivables and establishes a provision for the amount that is estimated not to be recoverable. In assessing recoverability management considers the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

5 Investments in subsidiary undertakings

	£'000
Cost at beginning of year (restated)	7,988
Additions	29,422
Cost at end of year	37,410

Additions during the year relate to the transfer of Collinson Insurance (Holdings) Limited as part of the Group restructuring described in note 1 of the Consolidated Financial Statements. Details of subsidiary undertakings in which the Company has an indirect investment are included in note 37 of the consolidated financial statements. The Company has direct investments in the following subsidiary undertakings:

Name	Country of incorporation	Class of shares held	Percentage of equity shares and voting rights held %
Airport Lounge Development Holdings Ltd	United Kingdom	Ordinary	100
Collinson Insurance (Holdings) Limited	United Kingdom	Ordinary	100
Collinson International Ltd	United Kingdom	Ordinary	100
Collinson Investments Ltd	United Kingdom	Ordinary	100
Valuedynamx Holdings Limited	United Kingdom	Ordinary	100

Notes to the Company Financial Statements

For the year ended 30 April 2022

6 Trade and other receivables

	2022 £'000	2021 £'000
Due within one year		
Prepayments and accrued income	-	189
Amounts due from ultimate parent undertaking	100	100
Amounts owed by Group undertakings	204	4
	304	293

7 Trade and other payables

	2022 £'000	Restated 2021 £'000
Due within one year		
Other creditors	-	207
Amounts owing to Group undertakings	29,726	6
	29,726	213

8 Share capital

	2022 £'000	2021 £'000
Allotted, called-up and fully paid		
200 ordinary shares of £1 each	200	200

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

9 Off balance sheet arrangements

The Company has not entered into any off-balance sheet arrangements.

10 Related party transactions

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose related party transactions with other wholly owned Group companies. There were no other related party transactions that require disclosure during the year ended 30 April 2022 (2021: none).

Notes to the Company Financial Statements

For the year ended 30 April 2022

11 Parent undertaking and ultimate controlling party

At the reporting date, the Company's immediate parent undertaking is Collinson Group Holdings Limited, a company incorporated in England (company number 13418440). The directors regard Parminder Limited, a company incorporated in the Isle of Man, to be the Company's ultimate parent undertaking. Parminder Limited does not prepare consolidated financial statements. The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

The parent undertaking of the largest group for which group accounts are prepared is Parminder Investments Limited, a company incorporated in England (company number 13453712). The Collinson Group Limited is the smallest group for which group accounts are prepared.

12 Post balance sheet events

Post balance sheet events are described further in note 35 of the consolidated financial statements.