Hotelplan Limited

Annual report and financial statements
Registered number 00350786
31 October 2023

Contents

Strategic report for the year ended 31 October 2023

The directors present their strategic report on the company for the year ended 31 October 2023.

Principal activities
The principal activity of the company continued to be that of a specialist tour operator. Hotelplan Limited operates ski holidays to Europe and North America under the brands 'Inghams Ski' and 'Esprit Ski', plus two non-skiing winter programmes to Finland – a short break family programme under the brand 'Santa's Lapland' and 'Inghams Lapland', adventure and experience holidays. The company also offers summer holidays to Europe under the 'Inghams Walking' brand. These holidays are typically marketed to UK consumers and sold by the company direct through our websites and reservation centre, as well as via our valued partner network of third party retail travel agents.

Business review and future outlook
We have had a successful operational year across our brands, with no disruptions or restrictions in place as there were in previous years due to the Covid-19 pandemic.

Despite the high levels of media coverage of the weather conditions, focusing on the lack of snow on lower slopes and resorts that do not feature in or ski programme, demand for that programme exceeded our expectations. Demand for our Santa's Lapland programme also exceeded expectations, delivering a record breaking performance in respect of turnover and margin for a 2nd consecutive year.

This has been a transition year from Lakes and Mountains to Walking in summer and we have seen lower passenger numbers as the summer product moves from highly competitive market to one delivering higher margins.

Each or our brands have a different customer profile and competitor set, and we continue to monitor and refine our proposition to ensure the brand objectives are met. During 2023 the Ingham's brand was relaunched to bring the product ranges of Inghams Ski, Inghams Lapland and Inghams Walking under a coherent brand theme. We have invested in re-invigorating our Santa's Lapland programme, making the experience more theatrical. These enhancements were in place for the 2023 season and have been rewarded with improved NPS and customer feedback scores.

Whilst maintaining control on cost management, investment in our business has continued this year to ensure we can continue to meet customer demand and expectations, with this investment focused on our digital capability.

We have also taken steps in delivering on our sustainability goals. To reach the goal of reducing carbon footprint, in line with the Glasgow Declaration on Climate Action in Tourism, we have worked with an external consultancy to measure the carbon footprint of our holidays. This confirmed the change during the year, the results of which were published in December 2023 in Hotelplan UK's People and Planet report.

Looking ahead to 2024, we have seen tougher trading conditions in the period from Autumn 2023 onwards. Our customers tend to be more affluent with higher household income, and although much of our target market is relatively insulated from the cost of living increases, we are starting to see an impact, which is influencing family bookings in particular. Nonetheless we forecast a profitable year ahead.

Results and key performance indicators
The audited financial statements for the year ended 31 October 2023 and notes to the financial statements are set out on pages 11 to 36.

The company reports an increase in turnover of £33.8m to £139.9m for the year ended 31 October 2023 (2022: £106.1m). This increase is attributable to the continued demand for travel plus we were able to operate a full year unlike 2022 which saw significant travel restrictions in place from December to February.

The profit for the financial year was £4.0m (2022: £3.3m profit) and the company reported EBITDA[1] gain of £4.0m (2022: £4.0m gain). Gross margin has increased significantly following a 2nd successful trading year following the Covid-19 pandemic, plus a further £0.4m was received in grants from the Austrian governments in respect of Covid-19 support.

[1] EBITDA – earnings before interest, dividends, tax, depreciation and amortisation

Strategic report for the year ended 31 October 2023 *(continued)*

Results and key performance indicators (continued)
Administrative costs increased to £19m (2021: £15.3m). Following a return to travel and high demand we continued to build on our success and prioritised investment in staff, marketing and IT resources to ensure this demand and customer expectations could be met.

Net current assets have increased by £4.1m; the main drivers being a £1.3m increase in debtors along with a £3.4m decrease in creditors. The company continues to have a strong Balance Sheet.

The directors employ a number of KPIs to monitor the performance of the business on a daily, weekly and monthly basis. The KPIs employed range from financial indicators such as margin per passenger, gross profit margin[2] and EBITDA, through to non-financial monitoring of sales volumes, average selling prices and load factors of both aircraft seats and committed beds. Cashflow is managed through the use of cashflow forecasts and regular monitoring of cashflow KPIs.

Inghams are a 'Which? Recommended Supplier' in the Resort Package Holiday category, achieving a customer score of 81%. Inghams won the 'Best Activities Operator' at the 2023 Travel Weekly Golden Globe Awards for the seventh consecutive year, a testament to our reputation and standing among our 3rd party travel agents. Feefo is used to obtain independent reviews and the company received a Platinum award for Trusted Service in 2023. Our Santa's Lapland brand has also been the recipient of an award this year as winners of Family Holidays Provider of the Year at the Travel Industry Awards 2023 by TTG.

Principal risks and uncertainties
As in any organisation, management of the business and execution of the company's strategy is exposed to a number of operational risks. Key amongst these, other than geopolitical events which remain outside our control, continue to be ensuring high load factors on chartered aircraft, committed beds and transfer coaches, while ensuring average selling prices match or exceed inflationary cost pressures and take account of exchange rate volatility. These risks are mitigated through tight purchasing controls and appropriate pricing, and are managed through close monitoring of the company's KPI's and general market conditions, as well as fixed price contracts with key suppliers.

Financial risks
The company's operations expose it to a variety of financial risks that include the effects of interest risk, foreign exchange, liquidity risk and supplier risk. The company has in place risk management procedures that seek to limit the adverse effects on the financial performance of the company. Given the size and structure of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. Policies are in accordance with guidelines issued by the ultimate parent undertaking, the Federation of Migros Co-operatives.

The company invests any surplus funds with its principal banker. The return of these funds invested are subject to risks arising from interest rate movements. Large sums are not deposited with any one institution, other than the ultimate parent undertaking, the Federation of Migros Co-operatives. The company limits its exposure to trade credit risk by requiring all consumers to pay for their holidays before departure. With respect to our third party agent distribution network, we only deal with agents that are members of recognised trade bodies or who have suitable schemes, such as trust accounts, in place to protect customers' money. Our agent partners are credit scored with periodic review undertaken to assess their continued viability.

The company primarily offers its products for sale in British Pounds but pays suppliers in a variety of currencies. This risk is managed by a combination of purchasing sufficient forward contracts in major trading currencies, especially the Euro, to cover forecast liabilities arising from each season and amending prices as required to take account of currency fluctuations

The company's overall objective is to ensure that it is at all times able to meet its financial commitments as and when they fall due. Accordingly, surplus funds are held available to meet expected cash flows.

[2] gross profit margin = turnover less cost of sales divided by turnover

Strategic report for the year ended 31 October 2023 *(continued)*

Financial risks *(continued)*

The principal supplier risks at this time relate to committed airline seats and accommodation providers. All aircraft seats and fuel are purchased at fixed prices well in advance for the relevant season and the directors' only work with established charter and scheduled airline operators. These commitments are closely monitored to ensure utilisation levels are appropriate and contingencies in place should any airline partner fail. Third party hotel accommodation is primarily non-committed, with annual reviews of agreed contract prices and allocations, whilst chalets are typically contracted on a fixed price rental contract denominated in foreign currency. With Brexit and challenges around the sourcing of labour, chalet leases have and will continue to have a break clause should operating these properties become financially onerous as a result of leaving the EU, giving the group further flexibility if required.

Geopolitical instability or pandemics leading to customer caution or FCO guidance advising against non-essential travel to an area are always a risk. The company's principal destinations are located in Europe which means geopolitical disruptions are minimal. The very nature of a pandemic will always pose a risk to consumer leisure travel albeit we will always strive to provide customers with a range of suitable alternatives or encourage the booking to be deferred to a later date to retain their custom.

On behalf of the board

C Parselle
Director
28 March 2024

Directors' report for the year ended 31 October 2023

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 October 2023 presented in accordance with applicable United Kingdom accounting standards.

Strategic report
Details on the company's principal activities and future developments, its principal risks and uncertainties, its financial risks and its key performance indicators can be found in the strategic report on pages 1 to 3.

Directors
The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

C Parselle (appointed 1 January 2021)
J Ponte (appointed 1 November 2020)
J Mansell (appointed after the financial year end on 1 November 2023)

Policy on disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Policy on employee involvement
The company places considerable value on the involvement of its employees and keeps them informed on matters affecting their employment as well as on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and through regular briefings and e-mail updates. The company ensures that employees are able to express their views on matters affecting their current and future interests through formal and informal channels.

Overseas branches
The company has overseas branches in France and Austria trading under the name Hotelplan Limited and in Finland trading under the name Hotelplan Limited, sivuliike Suomessa.

Proposed dividend
No interim dividend has been declared or paid in the year (2022: £nil). The directors do not recommend payment of a final dividend (2022: £nil).

Going concern
These financial statements have been prepared on a going concern basis which is supported by forecasts and projections prepared by the directors and assumes the on-going support from the Company's ultimate parent, the Federation of Migros Co-operatives. The directors have received written confirmation from the Federation of Migros Co-operatives that it will continue to support the Company for the foreseeable future, and for a minimum period of at least 12 months from the date of the audit opinion to these financial statements, to enable the Company to meet its liabilities as and when they fall due. This support will remain in place during the divestment process and until a new owner is found.

Having made enquiries, the directors feel that The Federation of Migros Co-operatives is in a position to provide the level of support if required and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Subsequent events
Hotelplan Limited's ultimate shareholder, Migros Co-operative, has announced that it will concentrate on its core business in future. As a result, Migros sees greater development opportunities for the Hotelplan Group under new ownership and will proceed with the divestment of the group in the new financial year.

Directors' report for the year ended 31 October 2023 *(continued)*

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Indemnity provision
As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Statement of director's performance of their statutory duties in accordance with S172 of the Companies Act 2006
The board of directors consider that they have acted in a way they consider in good faith, that would most likely promote the success of the company for the benefit of its shareholders (whilst having regard to the stakeholder requirements set out in s172(1)(a-f) of the act) in the decisions taken in the year ending 31 October 2023. The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our employees, customers, suppliers and community as a whole.

Directors' report for the year ended 31 October 2023 *(continued)*

Statement of director's performance of their statutory duties in accordance with S172 of the Companies Act 2006 (continued)

The following summarises how the directors have fulfilled their duties with regards to S172:

Our people:
The company consistently provides employees with information on matters that are of concern to them, consulting them regularly so that their views and needs can be taken into account. Employee involvement in the company is encouraged, achieving common awareness on financial and economic factors affecting the business. This is done through monthly updates by the directors and leadership team.

The company encourages the involvement of employees by communication systems stipulating regular one to one meetings with staff as well as weekly update meetings within teams. Monthly updates are delivered to the employees in person or via a video presentation by the group CEO, available on a platform accessible to all. These monthly updates keep all viewers informed on current developments within the company.

Shareholders:
The board is committed to openly engaging with our shareholder. We recognise the importance of a continuing effective dialogue. It is important to us that our shareholder understands our strategy and objectives. This is achieved through delivering clear communication, receiving feedback and addressing questions effectively.

Community and Environment:
We strive to maintain a reputation of high standards in our business conduct. We manage this by developing and maintaining strong relationships within the community we interact and do our best to leverage our expertise and enable colleagues to support the communities around us.

Streamlined Energy and Carbon Reporting
Carbon reporting will be presented in the consolidated group financial statements of Hotelplan (U.K. Group) Limited.

Disclosure of information to auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Other information
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on pages 1 to 3.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, will be reappointmented in accordance with section 485 of the Companies Act 2006.On behalf of the board

Colin Parselle
Director

28 March 2024

Registered office:
Nelson House
55-59 Victoria Road
Farnborough
Hampshire
GU14 7PA

Independent auditors' report to the members of Hotelplan Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hotelplan Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 October 2023; the Profit and Loss Account, Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated.

If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 October 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to travel regulation, employment laws and data protection requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries in the underlying books and records and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their significant accounting estimates, including those that considered future events that are inherently uncertain.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Ian Dudley

Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 March 2024

Profit and Loss Account
for year ended 31 October 2023

	Note	2023 £000	2022 £000
Turnover	4	139,932	106,091
Cost of sales		(117,322)	(89,676)
Gross profit		**22,610**	**16,415**
Administrative expenses		(18,975)	(15,293)
Other operating income		30	-
Operating profit	5	**3,665**	**1,122**
Other income	8	389	2,434
Interest receivable and similar income	9	888	377
Interest payable and similar expenses	9	(8)	(10)
Other financial expenses	19	(12)	0
Impairment of company loan		0	(261)
Profit before taxation		**4,922**	**3,662**
Tax on profit	10	(899)	(378)
Profit for the financial year		**4,023**	**3,284**

The accompanying notes on pages 15 to 36 form an integral part of the financial statements.

Statement of Comprehensive Income
for year ended 31 October 2023

	2023 £000	2022 £000
Profit/(loss) for the financial year	**4,023**	**3,284**
Other comprehensive (expense)/income:		
Remeasurements of net defined benefit obligations (note 19)	(969)	(222)
Deferred tax on remeasurement of net defined benefit obligations	242	42
Effective portion of changes in fair value of cash flow hedges (note 20)	(352)	1,111
Deferred tax on fair value of cash flow hedges	67	(211)
Other comprehensive (expense)/income for the year, net of tax	(1,012)	720
Total comprehensive income for the year	**3,011**	**4,004**

Balance Sheet
As at 31 October 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	*11*	49	288
Tangible assets	*12*	527	96
Investments	*13*	7,072	7,072
Deferred tax asset	*16*	2,826	3,548
		10,474	**11,004**
Current assets			
Inventories	*14*	36	39
Debtors	*15*	23,482	22,169
Cash at bank and in hand		39,344	39,880
Deferred tax asset	*16*	1,258	835
		64,120	**62,923**
Creditors: amounts falling due within one year	*17*	(48,059)	(51,442)
Net current assets		**16,061**	**11,481**
Total assets less current liabilities		**26,535**	**22,485**
Creditors: amounts falling due after one year	*17*	(817)	(1,045)
Provisions for liabilities	*18*	(1,823)	(1,803)
Pension and other schemes	*19*	(1,247)	-
Net assets		**22,648**	**19,637**
Capital and reserves			
Called up share capital	*20*	1,000	1,000
Cash flow hedging reserve	*20*	(27)	258
Profit and loss account		21,675	18,379
Total equity		**22,648**	**19,637**

The accompanying notes on pages 15 to 36 form an integral part of the financial statements.

These financial statements on pages 11 to 36 were approved by the board of directors on 28 March 2024 and were signed on its behalf by:

C Parselle
Director

Company registered number: 00350786

Statement of Changes in Equity
For the year ended 31 October 2023

	Called up Share capital	Cash flow hedging reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 November 2021	1,000	(642)	15,275	15,633
Total comprehensive income for the year				
Profit for the financial year	-	-	3,284	3,284
Other comprehensive income/(expenses)	-	900	(180)	720
Total comprehensive income for the year	-	900	3,104	4,004
Balance at 31 October 2022	**1,000**	**258**	**18,379**	**19,637**
Balance at 1 November 2022	1,000	258	18,379	19,637
Total comprehensive income for the year				
Profit for the financial year	-	-	4,023	4,023
Other comprehensive expenses	-	(285)	(727)	(1,012)
Total comprehensive income/(expense) for the year	-	(285)	3,296	3,011
Balance at 31 October 2023	**1,000**	**(27)**	**21,675**	**22,648**

The accompanying notes on pages 15 to 36 form an integral part of the financial statements.

Notes to the financial statements

1. General information

Hotelplan Limited (the "company") is a private company limited by shares incorporated and domiciled in England, United Kingdom. The address of the company's registered office is Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA and the registered number is 00350786.

2. Significant accounting policies

These financial statements of Hotelplan Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard* applicable in the United Kingdom and the Republic of Ireland *("FRS 102")* and the Companies Act 2006.

The company is a wholly owned subsidiary of Hotelplan (U.K. Group) Limited. It is included in the consolidated financial statements of Hotelplan (U.K. Group) Limited which are publicly available. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Hotelplan (U.K. Group) Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company is exempt under FRS 102 paragraph 33.1a from disclosing related party transactions with any companies that are wholly owned within Federation of Migros Co-operatives.

2.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

2.2 Going concern

These financial statements have been prepared on a going concern basis which is supported by forecasts and projections prepared by the directors and assumes the on-going support from the Company's ultimate parent, the Federation of Migros Co-operatives. The directors have received written confirmation from the Federation of Migros Co-operatives that it will continue to support the Company for the foreseeable future, and for a minimum period of at least 12 months from the date of the audit opinion to these financial statements, to enable the Company to meet its liabilities as and when they fall due. This support will remain in place during the divestment process and until a new owner is found.

Having made enquiries, the directors feel that The Federation of Migros Co-operatives is in a position to provide the level of support if required and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements *(continued)*

2. Significant accounting policies *(continued)*

2.3 Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account in interest receivable and similar income or interest payable and similar expenses except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

2.4 Turnover

Turnover is the aggregate value receivable, net of discounts, from inclusive tours, travel agency commissions and other travel services. Where the group bears the risks of the service provided, it is the principal to the transaction and recognises turnover accordingly. Where this is not the case, only the commission earned is recognised as turnover. Turnover is recognised on the date of departure and any ancillary sales made locally in resort are recognised at point of sale.

2.5 Cash in transit

Cash in transit reflects client monies paid by credit or debit card in respect of the settlement of their holiday balance. These monies take up to 21 working days to arrive in Hotelplan Limited's bank account from the date of payment and are consequently disclosed within trade debtors.

2.6 Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.7 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Notes to the financial statements *(continued)*

2. Significant accounting policies *(continued)*

2.7 *Basic financial instruments (continued)*

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

2.8 *Other financial instruments*

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss in line with sections 11 and 12 of FRS 102 accounting requirements. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

2.9 *Tangible assets*

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

• leasehold improvements	10 years
• fixtures & fittings	3-9 years
• equipment & phones	3-5 years
• motor vehicles	6 years

Notes to the financial statements *(continued)*

2. Significant accounting policies *(continued)*

2.9 Tangible assets (continued)

Depreciation methods, useful lives and residual values are reviewed annually or if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. The effect of any change is accounted for prospectively.

2.10 Intangible assets other than goodwill

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Computer software
Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when they are technically feasible to complete the software product and can be reliably measured. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Brand
Brand names and related trademarks acquired through business combination are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Customer relationships and customer order books
Contractual customer relationships and customer order books acquired in a business combination are recognised at fair value at the acquisition date. They are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful economic life of these assets is determined on a case-by-case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

- Software assets 5 years

2.11 Business combination

Acquisitions of businesses are accounted for using the purchase method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the identifiable assets and liabilities, goodwill is recognised when the consideration exceeds the fair value of the net assets. Where the fair value of assets acquired exceeds the fair value of the consideration paid, negative goodwill is recognised on the balance sheet and amortised alongside the assets acquired, deferred tax is also considered. Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years. The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

2.12 Inventory

Stock comprises raw materials and consumables. Stock is stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Provisions, if necessary, are made for slow moving, obsolete and defective stock. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

Notes to the financial statements *(continued)*

2. Significant accounting policies *(continued)*

2.13 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements *(continued)*

2. Significant accounting policies *(continued)*

2.14 *Employee benefits*

Defined benefit plans

For eligible employees the company pays for employee pension benefits by contributing to a company defined benefit pension scheme. The scheme assets are held independently of the company. The expected future costs of providing pensions for employees under the company's defined benefits pension scheme are provided in the balance sheet of the company, net of assets held by the pension scheme and the value of any expected tax liability or relief. Costs relating to employees service are charged to the profit and loss account. Gains and losses arising from actuarial revaluations are recognised in other comprehensive income in the period in which it occurs. Returns on the assets of the pension scheme and notional interest on the liabilities of the scheme are credited or charged to other finance income or expense in the profit and loss account. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability.

Following the closure of the company defined benefit pension scheme to new entrants in 2007, the company introduced the Hotelplan Limited Group Stakeholder Pension Plan for new employees which was closed to new entrants in 2010. All other remaining eligible employees were auto-enrolled on 1st May 2014 into a Group Personal Pension Plan in accordance with pension legislation. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge disclosed in note 19 represents contributions payable by the company to the fund accounted for under Financial Reporting Standard 102 'Pension Obligations'. With effect 1st November 2017, the scheme was closed to future accrual and the small number of active members transferred to a defined contribution scheme.

2.15 *Provisions*

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Provisions for onerous contracts are recognised when the company is party to contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.16 *Other operating income*

Other operating income is income derived from the commission received when purchasing flights using a third party online reservation system.

Notes to the financial statements *(continued)*

2. Significant accounting policies *(continued)*

2.17 Expenses

Marketing costs
Brochure, sales and marketing costs are written off as incurred.

Operating lease
Payments made for rentals under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Interest receivable and interest payable
Interest payable and similar expenses include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue. Foreign currency gains and losses are reported on a net basis.

2.18 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.19 Government Grants

Government grants consist of government support through the COVID-19 pandemic from France & Austria. The purpose of the Schemes is to provide grants to employers to ensure that they can continue to operate, despite the effects of the COVID-19 pandemic. The income has been accounted for under other income. The income is recognised when the funds from the grant are received.

Notes to the financial statements *(continued)*

3. Accounting estimates and judgements

Key sources of estimation uncertainty

Significant judgement was applied in the decision to recognise unused tax losses. Deferred tax assets arising from unused tax losses or tax credits have been recognised to the extent that there is sufficient taxable income for it to be applied to in future years. Management's judgment is that convincing evidence is currently available that sufficient taxable profit will be available against which the unused tax losses can be utilized.

There are no other key assumptions for the company concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year. There are certain less significant estimates in applying the company's accounting policies, described below:

- The application of hedge accounting on derivative contracts. The company enters into committed accommodation commitments and therefore has good visibility over future volumes. Furthermore, the company encompasses a number of established brands with established, and consistent trading patterns, giving management clear visibility over expected demand volumes and future cash outflows enabling a high degree of accuracy in our hedging arrangements.

- In determining the value of the defined benefit obligation, the company uses the actuarial services of the independent consultants XPS Pension Consultancy Limited to undertake this measurement. They provide steering on significant assumptions around discount rate, inflation and life expectancy and mortality when determining the estimated position of the scheme. The management have considered the key assumptions suggested by the independent actuary and believe these are appropriate. The company has made the assumption that the scheme surplus is temporary in nature and in accordance with FRS102 have selected not to disclose the scheme surplus in the financial statements of Hotelplan Limited.

- The assessment around the carrying value of company investments in light of the recent volatility within the travel sector. The investments undertaken are targeted for their long-term growth potential and the company take a pragmatic, long-term view which helps to ensure we retain enduring assets.

- The provisions for onerous contracts is calculated by using significant judgement and estimation when determining future demand volumes in order to establish whether contract costs will exceed the economic benefits arising from that contract.

Notes to the financial statements *(continued)*

4. Turnover

Turnover is attributable to one continuing activity, the provision of leisure travel services. An analysis of turnover by geographical market in which the turnover arose is given below:

	2023 £000	2022 £000
United Kingdom	139,777	105,992
Rest of World	155	99
	139,932	**106,091**

5. Operating profit

Operating profit is stated after (crediting)/charging:

	2023 £000	2022 £000
Commission from airline booking system	(30)	(15)
Foreign exchange losses/(gains)	914	(110)
Redundancy payments	0	29
Depreciation - owned assets	106	66
Amortisation of intangible assets	62	122
Operating lease charges:		
- land and buildings	2,355	2,157
- other operating leases	218	174
Audit fees payable to the company's auditors	97	87

Disclosure of fees payable to the auditors for other (non-audit) services has not been made because this information is included in the consolidated financial statements of the company's parent company Hotelplan (U.K. Group) Limited. The consolidated financial statements comply with the statutory disclosure requirement.

Notes to the financial statements *(continued)*

6. Staff numbers and costs

Staff numbers

The monthly average number of persons employed (including directors, excluding overseas resort and chalet staff on seasonal contracts) during the year, analysed by category, was as follows:

	2023 Number	2022 Number
Sales	112	95
Operations	31	26
IT	18	8
Finance & Administration	34	28
	195	157

Staff costs

The aggregate payroll costs of these persons were as follows:

	2023 £000	2022 £000
Wages and salaries	8,556	6,621
Social security costs	860	684
Other pension costs		
Contributions to defined contribution plans	300	197
Expenses related to defined benefit plans	94	90
	9,810	7,592

7. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	496	357
Directors' pension contributions to defined contribution pension plan	37	34
	533	391

	2023 £000	2022 £000
Highest paid directors' emoluments	278	204
Highest paid directors' pension contribution to defined contribution pension plan	20	19
	298	223

During the year retirement benefits were accruing to 2 directors (2022 – 2) in respect of pension contributions to defined contribution pension plan.

Notes to the financial statements *(continued)*

8. Other income

	2023 £000	2022 £000
Government Grant - French loss of income relief	0	1,341
Government Grant - Austria loss of income relief	389	1,068
Commission from airline booking system*	-	15
Others	-	10
Total other income	**389**	**2,434**

*Commission from airline booking system for 2023 is included in other operating income

9. Net interest income

	2023 £000	2022 £000
Bank interest receivable	27	49
Interest receivable from group undertakings	667	76
Net foreign exchange gain	194	252
Total interest receivable and similar income	**888**	**377**
Bank interest payable	(1)	(2)
Interest payable to group undertakings	(7)	(8)
Net foreign exchange loss	-	-
Total interest payable and similar expenses	**(8)**	**(10)**
Net interest income/(expense)	**880**	**367**

10. Tax on profit

Tax credit recognised in the profit and loss account

	2023 £000	2022 £000
Current tax		
Current tax on profit for the year	-	-
Adjustments in respect of prior years	291	-
Total current tax	**291**	-
Deferred tax		
Origination and reversal of timing differences	808	378
Adjustments in respect of prior years	(200)	-
Total deferred tax	**608**	**378**
Total tax credit	**899**	**378**

Notes to the financial statements *(continued)*

10. Tax on profit *(continued)*

Tax credit included in profit and loss account

	2023	2022
	£000	£000
Current tax	291	-
Deferred tax	608	378
Total tax expense included in profit and loss account	899	378

Analysis of total tax recognised in profit and loss

	2023	2022
	£000	£000
Profit before taxation	4,922	3,662
UK corporation tax at rate of 22.5% (2022: 19%)	1,107	696
Effects of:		
Non-deductible expenses	98	32
Adjustments in respect of prior years	91	-
Group relief claimed for nil payment	-	(104)
Double taxation relief	(61)	(61)
Intercompany loan impairment non taxable	-	50
Interest on intercompany loans	-	(79)
Timing differences	(244)	-
Foreign tax	-	-
Changes in tax rates	-	(66)
Others	(92)	(90)
Total tax recognised in profit and loss	899	378

The UK corporation tax rate for the current year is 25% (2022: 19%). The rate increased from 19% to 25% from 1 April 2023. A hybrid rate has been used when calculating the taxation charge for the current tax year as the rate was increased during the financial year ending 31 October 2023. The hybrid rate used is 23% (2022: 24%).

Notes to the financial statements *(continued)*

11. Intangible assets

	Computer Software	Total
	£000	**£000**
Cost		
at 1 November 2021	1,382	1,382
Additions	164	164
Disposals	-	-
at 31 October 2022	**1,546**	**1,546**
at 1 November 2022	1,546	1,546
Additions	-	-
Disposals	-	-
Reclassification*	(177)	(177)
at 31 October 2023	**1,369**	**1,369**
Accumulated Amortisation		
at 1 November 2021	1,136	1,136
Charge for the year	122	122
Disposals	-	-
at 31 October 2022	**1,258**	**1,258**
at 1 November 2022	1,258	1,258
Charge for the year	62	62
Disposals	-	-
at 31 October 2023	**1,320**	**1,320**
Net Book Amount		
at 31 October 2022	288	288
at 31 October 2023	**49**	**49**

*£177k of the computer software balance has been reclassified as furniture and fittings within the tangible asset balance, these assets were previously classified as work in progress within computer software They relate to a chalet improvement project and were recognised as assets under construction in the 2022 financial year They had not started depreciating until the 2023 financial year therefore the accumulated depreciation balance does not require reclassification.

Notes to the financial statements *(continued)*

12. Tangible assets

	Fixtures & Fittings	Equipment & Phones	Motor Vehicles	Total
	£000	£000	£000	£000
Cost				
at 1 November 2021	156	-	27	183
Additions	57	-	-	57
Disposals	-	-	-	-
At 31 October 2022	**213**	-	**27**	**240**
at 1 November 2022	213	-	27	240
Additions	231	129	-	360
Reclassification**	(36)	213	-	177
Disposals	-	-	(12)	(12)
at 31 October 2023	**408**	**342**	**15**	**765**
Accumulated Depreciation				
at 1 November 2021	60	-	18	78
Charge for the year	62	-	4	66
Disposals	-	-	-	-
at 31 October 2022	**122**	-	**22**	**144**
at 1 November 2022	122	-	22	144
Charge for the year	21	83	2	106
Reclassification**	(121)	121		-
Disposals	-	-	(12)	(12)
at 31 October 2023	**22**	**204**	**12**	**238**
Net Book Amount				
at 31 October 2022	91	-	5	96
at 31 October 2023	**386**	**138**	**3**	**527**

** £177k of fixtures and fittings have been reclassified from intangible assets to tangible assets. These were relating to a chalet improvement project so were assets under construction in FY22 and therefore did not start depreciating until FY23 so no depreciation to reclassify with this.
A further £220k of fixtures and fittings relating to developing the Santa's Lapland activity centre and a chalet improvement project are assets under construction in FY23 so will not start depreciating until project is completed.

**£213k cost and £121k accumulated depreciation has been reclassified from fixtures & fittings to equipment & phones

Notes to the financial statements *(continued)*

13. Investments

Shares in group undertakings:

	2023	2022
	£000	£000
Cost and net book value	7,072	7,072
	7,072	**7,072**

The carrying value of the investments are supported by the underlying net assets of the subsidiary. The directors believe that the carrying value of investments is supported by their expected discounted, future cash flows.

Subsidiary undertakings
The following companies are wholly-owned subsidiary undertakings and operate in the country of incorporation:

Name	% ownership of ordinary shares	Country of incorporation	Principal activity
Hotelplan (Transport) Limited	100%	England	Transport services
Inter Chalet Ferienhaus A.G	100%	Switzerland	Provision of holiday accommodation
Inntravel Limited	100%	England	Tour operator
Hotelplan Travel Srl	100%	Italy	Provision of holiday accommodation
Itinerary Limited *	100%	England	Transport services

*Shareholding held by subsidiary of Hotelplan Limited.

The registered office for each of these subsidiaries is as follows:

Name	Address
Hotelplan (Transport) Limited	Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, United Kingdom
Inter Chalet Ferienhaus A.G	Sagereistrasse 20, CH-8152, Glattbrug, Switzerland
Inntravel Limited	Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, United Kingdom
Hotelplan Travel Srl	Corso Matteotti 44, 10121 Torino, Italy
Itinerary Limited	Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, United Kingdom

Hotelplan Limited intends to deregister Hotelplan (Transport) Limited and Inter Chalet Ferienhaus A.G in the future.

Notes to the financial statements *(continued)*

14. Inventories

	2023 £000	2022 £000
Raw materials and consumables	36	39
	36	39

15. Debtors

	2023 £000	2022 £000
Trade debtors	2,261	2,631
Amounts owed by ultimate parent undertaking	3,069	3,244
Amounts owed by group undertakings	8,101	7,959
Other debtors	1,978	2,136
Corporation tax	4	125
Derivative Financial Instruments*	-	317
Prepayments and accrued income	8,069	5,757
	23,482	22,169
Due within one year	23,482	22,169
Due after more than one year	-	-
	23,482	22,169

*Please see note 17 for 2023 comparison

Amounts owed by fellow subsidiary and parent undertakings are unsecured, interest free and repayable on demand.

16. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2023 Assets £000	2022 Assets £000	2023 Liabilities £000	2022 Liabilities £000
Tax loss carried forward	3,460	3,699	-	-
Accelerated capital allowances	551	684	-	-
Derivative contracts	73	-	-	(60)
Deferred tax assets/(liabilities)	4,084	4,383	-	(60)
Due within one year	1,258	835	-	(60)
Due after more than one year	2,826	3,548	-	-
	4,084	4,383	-	(60)

Notes to the financial statements *(continued)*

16. Deferred tax assets and liabilities (continued)

Full provision has been made for deferred taxation. The movement during the year was as follows:

	£'000
At 1 November 2022	4,383
Debited to the profit and loss account	(608)
Credited to other comprehensive income	309
At 31 October 2023	**4,084**

The deferred tax balance is determined by taxation rates which are subject to change and therefore there exists some degree of uncertainty over the exact timing of when these balances will unwind, in addition to the amount itself.

The Directors have considered the recoverability of the tax losses and believe, given the anticipation that the business will return to pre-pandemic levels of activity with the next couple of years, there is sufficient probability of future benefit to recognise the tax losses as a deferred tax asset.

17. Creditors

Amounts falling due within one year:

	2023 £000	2022 £000
Trade creditors	3.316	1,063
Amounts owed to ultimate parent undertaking	295	301
Amounts owed to group undertakings	1,827	1,829
Payments in respect of future holidays	39.656	44.172
Taxation and social security	276	179
Derivative Financial Instruments*	35	-
Accruals	2.654	3.898
	48,059	**51,442**

*See note 15 for 2022 comparison

Amounts owed to fellow subsidiary and parent undertakings are unsecured, interest free and repayable on demand.

Trade creditors includes a balance of £196.639 payable to IATA for BSP sales (2022: £72.858)

Amounts falling due after one year:	2023 £000	2022 £000
Payments in respect of future holidays	817	1,045

Notes to the financial statements *(continued)*

18. Provisions for liabilities

The company had the following provisions during the year:

	Pending Litigation £000	Onerous Contract £000	Other provisions £000	Total £000
Balance at 1 November 2021	271	960	529	1,760
Provisions made during the year	-	-	855	855
Provisions used during the year	-	(235)	(150)	(385)
Provisions released during the year	-	(434)	-	(434)
FX Revaluation of brought forward provisions	5	-	2	7
Balance at 31 October 2022	**276**	**291**	**1,236**	**1,803**
Balance at 1 November 2022	276	291	1,236	1,803
Provisions made during the year	-	-	1,603	1,603
Provisions used during the year	-	12	(717)	(705)
Provisions released during the year	-	(303)	(581)	(884)
FX Revaluation of brought forward provisions	4	-	2	6
Balance at 31 October 2023	**280**	**-**	**1,543**	**1,823**

The provision for Austrian overseas taxes classed within pending litigation has remained constant in local currency due to the continuation of a wage tax audit with the expectation of additional charges to arise. None of the prior year provision was used during the 2022/23 financial year. Other movement in provisions relate to provisions made for £1,137k of 2023 staff bonus provision (including staff holiday vouchers), £386k of Chalet provisions, and £79k provision for customer refunds.

The provisions used and released in the year relate to 2022 staff bonus of £708k, committed chalet leases of £221k, UK Head Office rental and maintenance costs of £291k (now fully written off), the release of the provision for customer refunds of £292k, the release of egal provisions of £76k.

19. Pension and other schemes

Defined benefit pension scheme

The company's defined benefits scheme was closed to new members with effect from 1 November 2007 and as a result, under the projected unit method, current service cost will increase as members approach retirement. This is a fully funded scheme with contributions paid by both the company and its employees. With effect 1st November 2017, the scheme was closed to future accrual and the small number of remaining actives transferred to a defined contribution scheme.

Financial Reporting Standard 102 disclosures are based on the policy that benefits are based on final pensionable salary. The assets of the scheme are held separately from those of the company. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using a projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The most recent actuarial valuation of the Scheme was completed as at 31 October 2022. The results of that valuation have been updated to 31 October 2023 by a qualified independent actuary.

Notes to the financial statements *(continued)*

19. Pension and other schemes (continued)

The company recognises the following changes in the net defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

The expected contributions to the plan for the next financial year are £NIL (2022: £NIL).

Net pension liabilities

	2023 £000	2022 £000
Present value of defined benefit obligation	(20,289)	(23,545)
Fair value of scheme assets	19,042	23,290
Defined benefit pension deficit	**(1,247)**	**(255)**

The defined benefit pension liability has not been accounted for and disclosed on the face of the balance sheet in the previous year as the amount was not material. The liability has become material during the current financial year and has therefore been disclosed separately in the balance sheet.

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2023 £000	2022 £000
Fair value at beginning of year	23,290	40,108
Interest income on scheme assets	1,132	674
Return on (losses)/assets, excluding interest income	(4,526)	(16,493)
Contributions by employer	90	65
Benefits paid	(843)	(966)
Scheme administrative cost	(101)	(98)
Fair value of scheme assets at end of year	**19,042**	**23,290**

Analysis of assets

The asset split in the scheme was:

	2023		2022	
	%	£000	%	£000
Diversified growth fund	17	3,237	-	-
LDI investments	28	5,332	42	9,782
Equities	29	5,522	25	5,822
Property	14	2,666	22	5,124
Insured annuities	12	2,285	11	2,562
Fair value of scheme assets	100	**19,042**	100	**23,290**

Notes to the financial statements *(continued)*

19. Pension and other schemes *(continued)*

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2023 £000	2022 £000
Present value at beginning of year	23,545	38,305
Current service cost	-	-
Interest cost	1,144	643
Actuarial gains	(3,557)	(14,437)
Benefits paid	(843)	(966)
Past service cost	-	-
Fair value of scheme liabilities at end of year	**20,289**	**23,545**

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the Statement of financial position date are as follows:

	2023 %	2022 %
Inflation assumption (RPI)	3.10	3.10
Inflation assumption (CPI)	2.40	2.40
Discount rate	6.00	4.95
Future pension increases	2.20	2.20

Actual return on scheme's assets

Post retirement mortality assumptions at age of 65 are:

	2023 Years	2022 Years
Retiring today - Males	20.5	21.7
Retiring today - Females	22.8	23.8
Retiring in 20 years time - Males	20.9	22.3
Retiring in 20 years time - Females	23.4	24.6

Amounts recognised in the profit and loss account

	2023 £000	2022 £000
Amounts recognised in operating profit		
Expenses recognised in arriving at operating profit	101	98
Amounts recognised in finance costs		
Net interest expense/(income)	12	-
Total charge	**113**	**98**

The service cost and net interest expense are recognised in the Profit and Loss Account.

Notes to the financial statements *(continued)*

19. Pension and other schemes *(continued)*

Remeasurements of the net defined benefit asset taken to the Statement of Comprehensive Income:

	2023 £000	2022 £000
Actuarial gains on the liabilities	(3,557)	(14,437)
Losses/(gains) on assets, excluding interest income	4,526	16,493
Change in the amount of surplus that is not recoverable, excluding interest income	-	(1,834)
Amount recognised in the Statement of Comprehensive Income	**969**	**222**

Defined contribution plans

The company operates a defined contribution pension scheme and introduced a Group Personal Pension Plan for auto enrolment purposes for all eligible employees. The amount charged in the year represents the contributions payable to these schemes in respect of the accounting year and amounted to £300k (2022: £197k). No amounts remain outstanding as at 31 October 2023 in respect of either scheme (2022: £nil).

20. Capital and reserves

Called up Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each (2023: 1,000,000)	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Notes to the financial statements *(continued)*

21. Operating leases

The company entered into agreements into commercial leases, non-cancellable operating lease rentals are payable as follows:

	Land and buildings 2023 £000	Land and buildings 2022 £000	Other 2023 £000	Other 2022 £000
Within one year	3,223	2,380	72	66
In two to five years	2,198	886	62	101
In over five years	-	-	-	-
	5,421	3,266	134	167

During the year £2,355k was recognised as an expense in the profit and loss account in respect of operating leases (2022: £2,157k).

Operating leases/commitments, relating to chalet exits/rental for W22/23, which have been provided for as onerous in the financial year amounting to £nil (2022: £nil) have been excluded from this disclosure. Please refer to note 18 which details the provisions recognised.

22. Contingent Liabilities

The company is a party of the group-wide financial guarantee with the CAA in respect of the ATOL Scheme.

23. Ultimate parent company and controlling party

The company is a wholly owned subsidiary undertaking of Hotelplan (U.K. Group) Limited. The ultimate parent undertaking and controlling party is the Federation of Migros Co-operatives, a co-operative incorporated in Switzerland.

The Federation of Migros Co-operatives is the parent undertaking for the largest group of undertaking to consolidate these financial statements at 31 December 2023. The consolidated financial statements of the Federation of Migros Co-operatives are available from 152 Limmatstrasse, CH8005, Zurich, Switzerland.

Hotelplan (U.K. Group) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Hotelplan (U.K. Group) Limited can be obtained from Nelson House, Victoria Road, Farnborough, England, GU14 7PA.

24. Subsequent Events

In December 2023, Hotelplan Limited were subject to a cyber incident which resulted in lost revenue due to systems being down and costs have been incurred due to hiring forensic investigators to look into the matter. As a result of this incident, Hotelplan Limited are now investing in increased cyber security to help ensure this does not happen again.

In February 2024, Migros (the ultimate parent company of Hotelplan Limited) have announced they intend to sell the Hotelplan group. They will continue to support Hotelplan Limited until a new owner is found.