# Hotelplan (U.K. Group) Limited

Annual report and consolidated financial statements

Registered number 00444219

31 October 2023

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## Strategic report for the year ended 31 October 2023

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

### Principal activities

The company's principal activity is that of a holding company for a travel group, whose principal activity continued to be that of specialist tour operating across the following distinct businesses;

- **Hotelplan Limited** 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.

- **Inntravel Limited** The principal activity of the company continued to be that of tour operator, providing self-guided walking, touring, cycling and snow-based soft activity holidays within Europe and the UK. Holidays are multi-component, high quality, flexible packages designed by Inntravel Limited and mainly contracted directly with local hoteliers and other independent suppliers. With an emphasis on 'at your own pace' exploration and sustainable local engagement, supported by extensively researched route guides, and in combination with personalised one-to-one customer service, the company has a distinct appeal to a professional and relatively affluent client.

- **Explore Worldwide Limited** The principal activity of the company continues to be that of a specialist tour operator, providing a range of authentic escorted and unescorted soft adventure holidays. Explore Worldwide Limited sells a range of adventure holidays offering more than 400 different itineraries in 98 destinations. The product is a mix of small group adventures and self-guided walking/trekking and cycling trips where accommodation, local back-up and detailed walking/cycling route notes are provided. The company offers unusual and pioneering itineraries. In addition to the UK market, the company sells its holidays in other major English speaking countries, in particular North America and Australasia, either through local travel agents or direct through its international websites and sales offices.

### Business review and future outlook

It has been a successful financial year for the group. Passenger volumes and turnover were above the budget target and there were limited disruptions and restrictions compared to previous years which were impacted by the COVID-19 pandemic.

**Hotelplan:**
Hotelplan Ltd have had a successful operational year across their 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 their expectations. Demand for their 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 they have seen lower passenger numbers as the summer product moves from highly competitive market to one delivering higher margins.

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

**Business review and future outlook** *(continued)*

**Hotelplan:** *(continued)*

Each or the brands have a different customer profile and competitor set, and they continue to monitor and refine their 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. They 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.

Hotelplan 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, they have worked with an external consultancy to measure the carbon footprint of their 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, Hotelplan have seen tougher trading conditions in the period from Autumn 2023 onwards. Their customers tend to be more affluent with higher household income, and although much of their target market is relatively insulated from the cost of living increases, they are starting to see an impact, which is influencing family bookings in particular. Nonetheless they forecast a profitable year ahead.

**Explore:**

2024 saw a continued return to normal travel following the outbreak of the COVID-19 pandemic at the end of February 2020. At the start of the financial year there were some restrictions to travel in parts of Asia and flight capacity constraints however by the end of the financial year there were no restrictions in place. Hence passenger numbers for the financial year were strongly ahead of prior year and in line with the financial year ended 31 October 2019, the last full trading year before the pandemic.

The conflict between Ukraine and Russia which started in February 2022 has continued meaning that some destinations remain unavailable. An indirect impact of this conflict was that certain costs increased, in particular energy and fuel which has meant that prices to customers increased. At the beginning of September 2023, there was an earthquake in Morocco which meant that certain tours to the affected areas were cancelled. It was possible to resume tours in unaffected areas and by January 2024 the full programme to Morocco was available for sale. The conflict in the Middle East which started in October 2023 has meant that travel to certain destinations in the region has been curtailed. This has had an impact on sales to the region, in particular from the North American market. Explore has a wide ranging portfolio of tours so many customers are finding alternative destinations.

Despite global geopolitical challenges, the company was able to introduce new tours and continues to evolve and innovate its product offering to ensure we remain the market-leading small group adventure operator. The company is committed to expanding its international distribution and in January 2023 incorporated Explore Worldwide Australia Pty, a fully owned subsidiary to enhance sales in the Australian and New Zealand market.

Explore continued the policy of allowing hybrid working for all its employees and, as employee confidence continues to grow, the number of staff returning to the office has increased. The company has controlled its costs tightly and has increased marketing activity in response to consumer demand.

Explore is fully committed to sustainable travel and has taken an industry leading approach to carbon measurement of its tours. The goal is to reduce our carbon footprint and the company has signed up to the Glasgow Declaration of reducing carbon emissions by 50% by 2030. During the financial year, the company managed to reduce the on tour carbon emissions by 7.3%.

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

**Business review and future outlook** ***(continued)***

**Explore:** ***(continued)***

Looking ahead to the financial year ending 31 October 2024, apart from disruption caused by the geopolitical events of 2022 and 2023 mentioned above, the outlook for travel is good. The peace of mind and expertise the company provides means that it is well placed to capture future bookings with its resilient client base travelling more extensively.

**Inntravel:**

Overall passenger carryings for 2023 were 20% higher than the previous year, despite volumes being negatively impacted by a run of bank holidays in May and heatwaves in Europe in July and August. The company achieved a record level of turnover of £24.5m. Spain and Italy continue to be the main destination countries of choice, each accounting for around 20% of passenger volumes, with Portugal, France and Austria each accounting for around 10%. The ABTA Holiday Habits report, published in October 2023, indicates that Spain, Italy and France will continue to be the top three destinations of choice for UK customers in 2024. During 2023, the company developed itineraries in new destination countries of Turkey and Ireland ahead of the 2024 season and the ABTA report suggests that these will both be in the top ten destination countries for UK travellers.

Careful cost management across the business enabled investment in a number of areas to improve interaction with the customer and to capitalise on key consumer trends. Such trends include a consideration of sustainability and the expectation that customers will opt to book with a travel expert (ABTA Travel Trends Report 2023) reinforced by the company continuing to offer a fully protected, international travel-inclusive package supported by its ATOL licence.

The company has increased its focus on sustainability during the year. The company worked with an external consultant to calculate carbon emissions including the carbon score of every individual holiday itinerary which are now displayed on the company's website. This both allows customers to make an informed decision about their holiday and provides a base measurement of carbon emissions as part of the company's goal to reduce carbon emissions by 50% by 2030. The aforementioned Holiday Habits report states that around 40% of customers surveyed said that they would book with a company based on a better environmental/sustainable record. Furthermore, the company has spent £0.2m with sustainability partners Klimate and Rewilding Britain during the year.

**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 13 to 49.

The group reports an increase in turnover to £212.3m for the year ended 31 October 2023 (2022: £150.9m). The increase is attributable to the return of travel after the disruptions caused by the Covid-19 pandemic and the removal of any significant travel restrictions imposed in both the UK and our destination countries.

The profit for the financial year was £2.0m (2022: £1.2m) and the group reported EBITDA[1] profit of £7.4m (2022: £4.1m). Gross margin increased to 21.4% (2022: 20.2%) due to the return to travel across the group.

Administrative costs increased to £40m (2022: £31m). Following a return to travel and high customer demand, the Group invested in staff, marketing activity and technology to deliver volume growth and ensure customer expectations could be met.

Net current liabilities have decreased from last year by £17m, resulting in a net current asset of £0.7m (2022: £16.2m liability). The main driver for this improvement was a decrease in creditors payable within a year due to the reclassifying of a £13m loan with the parent company as non-current combined with a £5.0m increase in debtors.

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

**Results and key performance indicators** *(continued)*

The loan was reclassified as a non-current liability in this financial year as a result of the extension of expiration date to 31 March 2025.

The directors employ a number of KPIs to monitor the performance of companies in the group 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.

The group makes a detailed analysis of all responses to post-holiday customer questionnaires and other sources of feedback, taking appropriate remedial action and incorporating client suggestions into product development. The group is incredibly proud of the awards its brands have received during the year:

- Inghams are a 'Which? Recommended Supplier' in the Resort Package Holiday category, achieving a customer score of 81%
- Inntravel was also named as a Which? Recommended Provider for the fourth consecutive year.
- Santa's Lapland was the recipient of the Family Holidays Provider of the Year award at the Travel Industry Awards 2023 by TTG
- 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 Explore, Inghams and Inntravel are all Platinum award for Trusted Service.
- The group is driven by high standards of social, ethical and environmental practices and was proud that Explore received B Corp Certification accreditation in February 2024 reflecting this commitment.

**Principal risks and uncertainties**

As in any organisation, management of the business and execution of the group'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 group's KPI's and general market conditions, as well as fixed price contracts with key suppliers.

Geopolitical instability or pandemics leading to customer caution or FCO guidance advising against non-essential travel to an area are always a risk. The group ensures it maintains a diverse selection of destinations although the very nature of a pandemic will always pose a risk to consumer leisure travel. The group 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 custom.

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

**Principal risks and uncertainties** *(continued)*

A cyber-attack or security breach could lead to a loss of customer, colleague or commercial confidential data, business disruption, reputational damage and fines. Our Technology & security team has implemented robust Information Security policies, procedures, and controls encompassing network security, systems access, and data protection measures. These measures are continually monitored, audited and reported upon, and adjusted to rectify vulnerabilities. Furthermore, our Technology team has devised a strategic roadmap outlining planned initiatives aimed at enhancing information security controls. This roadmap ensures that existing risks are effectively mitigated while also identifying and addressing emerging threats in the dynamic cyber landscape. A General Data Protection Regulation ('GDPR') project team has responsibility for overseeing data management practices, policies, regulatory awareness and training associated personal data.

**Financial risks**

The group'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 group has in place risk management procedures that seek to limit the adverse effects on the financial performance of the group. Given the size and structure of the group, 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 group 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 group 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. Periodic reviews are undertaken to assess their continued viability.

The group 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 to cover forecast liabilities arising from each season and amending prices as required to take account of currency fluctuations.

The group'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.

The principal supplier risks relate to committed airline seats and accommodation providers. All aircraft seats 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 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.

Outside of Hotelplan Limited, the remaining companies in the group are asset light, flexible business models with no commitments or overseas staffing footprint.

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

**Statement of directors' 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.

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

*Interest of other stakeholders:*
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.

*Long term consequences of any decisions:*
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.

*Maintaining high standards of business conduct:*
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.

On behalf of the board

**M Glesti**
*Director*

28 March 2024

## Directors' report for the year ended 31 October 2023

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

**Strategic report**

Details of the group'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 6.

**Directors**

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

M Glesti

L Meyer-Wünsche

**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 group 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 group 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 group. This is achieved through formal and informal meetings and through regular briefings and e-mail updates. The group 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 group has overseas branches in France and Austria trading under the name Hotelplan Limited and one in Finland 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.

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

**Subsequent events**

In February 2024, Hotelplan (U.K. Group) Limited's ultimate shareholder, Federation of Migros Co-operatives (Migros), 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.

During December 2023, Hotelplan (U.K. Group) Limited and some of its UK subsidiaries were subject to a cyber attack from an external source. Certain systems and shared drives were affected and consequently fewer bookings than expected were taken during that month. We engaged external lawyers and forensic experts to ensure the threat was contained and systems were recovered. Due to the hard work and diligence of our IT and other teams, all systems were operating normally by the time the peak sales period began in January.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the 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 group and the company 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 group and company and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group's and 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 group's and company's auditors are aware of that information.

**Qualifying third party indemnity**

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 group also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

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

**Streamlined Energy & Carbon Reporting**

In our Business Plan, we have a long term commitment to continue to reduce carbon emissions as well as investing in carbon removal technologies and restoring nature.

We plan to address carbon emissions in our office in a number of different ways;

- We have comprehensively measured all elements of our businesses, including the office spaces, and will reduce these in the coming years
- Solar panels are in operation at our head office building
- We use a zero-waste-to-landfill waste company at our head office
- We have a sustainability teams to support our efforts to decarbonise our offices and our holidays
- We have a flexible working environment and staff are working in the office, on average, two days a week. We have closed our head office on Fridays which has reduced our footprint.
- We have installed EV points on our premises and have partnered with an energy provider with favourable electric car schemes to encourage staff to consider changing to electric vehicles

This financial year's intensity performance ratio was measured at 0.9 (2022: 1.2). The reduction is attributed to lower emissions, as well as increased passenger numbers throughout the year.

| | kWh Energy Consumed YTD | | | | CO2e Emitted YTD | | | | Intensity Ratio |
|---|---|---|---|---|---|---|---|---|---|
| | Electricity | Natural Gas | Transport | Total | Scope 1 | Scope 2 (LB) | Scope 3 | Total | |
| **2022-23** | 280,168 | - | 191,781 | 471,949 | 46 | 58 | - | 104 | 0.9 |
| **2021-22** | 318,918 | 185,599 | 79,347 | 583,864 | 53 | 62 | - | 115 | 1.2 |

**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 6.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, will be reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board

**Markus Glesti**
Director

28 March 2024

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

# Independent auditors' report to the members of Hotelplan (U.K. Group) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Hotelplan (U.K. Group) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 October 2023 and of the group's profit and the group's cash flows 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 Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheet as at 31 October 2023; the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Changes in Equity and Consolidated Cash Flow Statement 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 group 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 group's and 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 group's and 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 group and company and their 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 group's and 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 group or 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 group 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 company 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

## Consolidated Profit and Loss Account

***for year ended 31 October 2023***

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | **£000** | £000 |
| **Turnover** | 2 | **212,342** | 150,889 |
| Cost of sales | | **(166,982)** | (120,364) |
| **Gross profit** | | **45,360** | 30,525 |
| Administrative expenses | | **(40,166)** | (31,003) |
| Other operating income | 3 | **96** | 45 |
| **Operating Profit/(Loss)** | 4 | **5,290** | (433) |
| Other Income | 7 | **389** | 2,409 |
| Interest receivable and similar income | 8 | **985** | 715 |
| Interest payable and similar expenses | 9 | **(2,624)** | (974) |
| Other finance costs | | **(10)** | (1) |
| **Profit before taxation** | | **4,030** | 1,716 |
| Tax on Profit | 10 | **(2,018)** | (540) |
| **Profit for the financial year** | | **2,012** | 1,176 |

## Consolidated Statement of Comprehensive Income
***for year ended 31 October 2023***

| | *Note* | **2023** | 2022 |
|---|---|---|---|
| | | **£000** | £000 |
| **Profit for the financial year** | | **2,012** | 1,176 |
| **Other comprehensive income/(expenses)** | | | |
| Foreign exchange gain/(loss) arising on consolidation | | **43** | (11) |
| Remeasurement of the net defined benefit liabilities | | **(969)** | (222) |
| Deferred tax on remeasurement of the net defined benefit liabilities | | **242** | 42 |
| Dissolution of subsidiary | | **-** | 237 |
| Effective portion of changes in fair value of cash flow hedges | *24* | **(282)** | 464 |
| Net change in fair value of cash flow hedges recycled to profit or loss | *24* | **(464)** | 781 |
| Deferred tax on fair value of cash flow hedges recycled to profit or loss | *20* | **85** | (148) |
| Deferred tax on fair value of cash flow hedges | *20* | **53** | (86) |
| **Other comprehensive (expense)/income for the year, net of tax** | | **(1,292)** | 1,057 |
| **Total comprehensive income for the year** | | **720** | 2,233 |

The accompanying notes form an integral part of the financial statements.

## Company Balance Sheet
***at 31 October 2023***

| | Note | 2023 £000 | 2022 £000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | *12* | **53,327** | 53,327 |
| Deferred tax asset | *20* | **490** | 367 |
| | | **53,817** | 53,694 |
| **Current assets** | | | |
| Debtors *(including £4,500k (2022: £5,000k) due after more than one year)* | *15* | **4,500** | 5,000 |
| Deferred tax asset | *20* | **104** | 104 |
| | | **4,604** | 5,104 |
| **Creditors:** amounts falling due within one year | *16* | **(18,682)** | (29,584) |
| **Net current liabilities** | | **(14,078)** | (24,480) |
| **Total assets less current liabilities** | | **39,739** | 29,214 |
| **Creditors:** amounts falling due after more than one year | *17* | **(40,525)** | (27,525) |
| **Net (liability)/asset** | | **(786)** | 1,689 |
| **Capital and reserves** | | | |
| Called up share capital | *23* | **1,100** | 1,100 |
| Profit and loss account | | **(1,361)** | 1,114 |
| Treasury share reserve | *23* | **(525)** | (525) |
| **Total Shareholders' funds deficit** | | **(786)** | 1,689 |

The Company's loss for the year ended 31 October 2023 was £2,475k (2022: £991k loss). The accompanying notes form an integral part of the financial statements.

These financial statements on pages 13 to 49 were approved by the board of directors on 28 March 2024 and were signed on its behalf by:

**M Glesti**
*Director*

*Company registered number: 00444219*

## Consolidated Balance Sheet
*at 31 October 2023*

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | **£000** | £000 |
| **Fixed assets** | | | |
| Intangible Assets | 11 | **412** | 569 |
| Goodwill | 11 | **2,510** | 3,715 |
| | | **2,922** | **4,284** |
| Tangible assets | 13 | **3,449** | 2,878 |
| Deferred tax asset | 20 | **4,423** | 5,837 |
| | | **10,794** | 12,999 |
| **Current assets** | | | |
| Stocks | 14 | **36** | 39 |
| Debtors (including £71k (2022: £12k) due after more than one year) | 15 | **28,283** | 23,272 |
| Cash at bank and in hand | | **49,697** | 47,315 |
| Deferred tax asset | 20 | **1,544** | 1,096 |
| | | **79,560** | 71,722 |
| **Creditors:** amounts falling due within one year | 16 | **(78,834)** | (87,953) |
| **Net current assets** | | **726** | (16,231) |
| **Total assets less current liabilities** | | **11,520** | (3,232) |
| **Creditors:** amounts falling due after more than one year | 17 | **(41,342)** | (28,570) |
| **Deferred tax liability** | 20 | **(41)** | - |
| **Provisions for liabilities** | 21 | **(1,918)** | (1,946) |
| **Pension liability** | 22 | **(1,247)** | - |
| **Net liabilities** | | **(33,028)** | (33,748) |
| **Capital and reserves** | | | |
| Called up share capital | 23 | **1,100** | 1,100 |
| Cash flow hedging reserve | | **(228)** | 379 |
| Treasury share reserve | 23 | **(525)** | (525) |
| Profit and loss account | | **(33,375)** | (34,702) |
| **Total Shareholders' deficit** | | **(33,028)** | (33,748) |

The accompanying notes form an integral part of the financial statements.

These financial statements on pages 13 to 49 were approved by the board of directors on 28 March 2024 and were signed on its behalf by:

**M Glesti**
Director

## Consolidated Statement of Changes in Equity

| | Called up Share capital | Treasury share reserve | Cash flow hedging reserve | Profit & loss account | Total equity |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 November 2021 | 1,100 | (525) | (632) | (35,924) | (35,981) |
| **Total comprehensive income for the year** | | | | | |
| Profit for the financial year | - | - | - | 1,176 | 1,176 |
| Other comprehensive income | - | - | 1,011 | 46 | 1,057 |
| Total comprehensive income for the year | - | - | 1,011 | 1,222 | 2,233 |
| **Balance at 31 October 2022** | **1,100** | **(525)** | **379** | **(34,702)** | **(33,748)** |

| | Called up Share capital | Treasury share reserve | Cash flow hedging reserve | Profit & loss account | Total equity |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 November 2022 | 1,100 | (525) | 379 | (34,702) | (33,748) |
| **Total comprehensive income for the year** | | | | | |
| Profit for the financial year | - | - | - | 2,012 | 2,012 |
| Other comprehensive expense | - | - | (607) | (685) | (1,292) |
| Total comprehensive income for the year | - | - | (607) | 1,327 | 720 |
| **Balance at 31 October 2023** | **1,100** | **(525)** | **(228)** | **(33,375)** | **(33,028)** |

The accompanying notes form an integral part of the financial statements.

## Company Statement of Changes in Equity

| | Called up share capital £000 | Treasury share reserve £000 | Profit & loss account £000 | Total equity £000 |
|---|---|---|---|---|
| Balance at 1 November 2021 | 1,100 | (525) | 2,105 | 2,680 |
| **Total comprehensive expense for the period** | | | | |
| Loss for the financial year | - | - | (991) | (991) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive expense for the period | - | - | (991) | (991) |
| **Balance at 31 October 2022** | 1,100 | (525) | 1,114 | 1,689 |

| | Called up share capital £000 | Treasury share reserve £000 | Profit & loss account £000 | Total equity £000 |
|---|---|---|---|---|
| Balance at 1 November 2022 | 1,100 | (525) | 1,114 | 1,689 |
| **Total comprehensive income for the period** | | | | |
| Loss for the financial year | - | - | (2,475) | (2,475) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive expense for the period | - | - | (2,475) | (2,475) |
| **Balance at 31 October 2023** | 1,100 | (525) | (1,361) | (786) |

The accompanying notes form an integral part of the financial statements.

## Consolidated Cash Flow Statement
***for year ended 31 October 2023***

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | **£000** | **£000** |
| **Cash flows from operating activities** | | | |
| Profit for the year | | **2,012** | 1,176 |
| *Adjustments for:* | | | |
| Depreciation, amortisation and impairment | *4* | **1,774** | 2,171 |
| Foreign exchange losses/(gains) | *7,8* | **(96)** | (504) |
| Interest receivable and similar income | *7* | **(889)** | (210) |
| Interest payable and similar expenses | *8* | **2,624** | 974 |
| Profit on sale of fixed assets | | **61** | 39 |
| Taxation | *9* | **2,018** | 540 |
| | | **7,504** | 4,186 |
| Decrease/(increase) in trade and other debtors | | **(6,073)** | (8,238) |
| Decease/(increase)/decrease in stocks | | **3** | (39) |
| (Decrease)/increase in trade and other creditors | | **1,228** | 19,814 |
| Increase/(decrease) in provisions | | **(28)** | 61 |
| Increase/(decrease) in pension liability | | **1,247** | - |
| | | **(3,623)** | 11,598 |
| Tax paid | | **(507)** | (153) |
| **Net cash (used in)/generated from operating activities** | | **3,374** | 15,631 |
| **Cash flows from investing activities** | | | |
| Interest received | *7* | **144** | 210 |
| Acquisition of tangible fixed assets | | **(802)** | (306) |
| Acquisition of intangible assets | | **(328)** | (345) |
| **Net cash used in investing activities** | | **(986)** | (441) |
| **Cash flows from financing activities** | | | |
| Interest paid | *8* | **(5)** | 0 |
| **Net cash (used in)/generated from financing activities** | | **(5)** | 0 |
| Net increase in cash and cash equivalents | | 2,382 | 15,190 |
| Cash and cash equivalents at 1 November | | **47,315** | 32,125 |
| **Cash and cash equivalents at 31 October** | | **49,697** | 47,315 |

The accompanying notes form an integral part of the financial statements.

## Notes to the financial statements
*(forming part of the financial statements)*

### 1 Accounting policies
Hotelplan (U.K. Group) Limited (the "company") is a private company limited by shares and incorporated and domiciled in England, UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. 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.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 30.

#### *1.1 Basis of preparation*
The financial statements are prepared in accordance with the Companies Act 2006, on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

The company's UK subsidiaries listed below are exempt from the requirements to audit their financial statements under section 479A of the Companies Act 2006.

| | Company Registration Number |
|---|---|
| Explore Aviation Limited | 3142462 |
| Hotelplan (Transport) Limited | 2949750 |
| Itinerary Limited | 2317000 |

Under section 479C of the Companies Act 2006, Hotelplan (U.K. Group) Limited, being the parent undertaking of these entities, has given a statutory guarantee of all the outstanding liabilities to which the companies are subject to at 31 October 2023.

#### *1.2 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, Migros Group. The directors have received written confirmation from Migros Group 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 approval of these financial statements, to enable the Company to meet its liabilities as and when they fall due. The directors have made enquiries of its ultimate parent, and its ability to provide support, and have received appropriate assurances that it is in a position to provide the necessary support.

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.

The Federation of Migros Co-operatives, has announced that it will concentrate on its core business in the future. As a result, Migros see greater development opportunities for the Hotelplan Group under new ownership and will proceed with the divestment of the group in the new financial year. This process is at an early exploratory stage, and the Directors do not view the proposed change in ownership as having an impact on the company's future prospects.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

***1.3 Basis of consolidation***

The group financial statements include the financial statements of the company and its subsidiary undertakings for the financial year to 31 October 2023. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment. All intra-group profits and traded are eliminated on consolidation.

***1.4 Foreign currency***

Transactions in foreign currencies are translated to the group companies' 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.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

***1.5 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 between 3 to 21 working days to arrive into the group's bank account from date of payment and are consequently disclosed within trade debtors.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

***1.6 Classification of financial instruments issued by the group***

The group applies section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group 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 group; 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.

***1.7 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.

*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.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

***1.8 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 remeasurement to fair value is recognised immediately in profit or loss. 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).

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

### *1.8 Other financial instruments (continued)*

*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.

### *1.9 Tangible fixed assets*

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The group 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. Land is not depreciated. The estimated useful lives are as follows:

- freehold buildings 50 years
- fixtures, fittings and equipment 2-20 years
- motor vehicles 4-6 years

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.

### *1.10 Business combinations*

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The group elected not to restate business combinations that took place prior to 1 November 2014. In respect of acquisitions prior to 1 November 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

## Notes to the financial statements *(continued)*

**1 Accounting policies** *(continued)*

***1.11 Intangible assets and goodwill*** *(continued)*

***Goodwill***
Goodwill arising on consolidation is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

***Other intangible assets***
Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date. Brands are valued using the 'relief from royalties' method. Customer lists are valued based on the discounted value of expected future profits based on current profitability and customer return rates. Order backlogs are valued based on the expected profitability of committed sales at the acquisition date.

***Amortisation***
Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Brands 5-10 years
- Customer lists 5 years
- Order backlog 1 year
- Goodwill 10 years
- Software 3-5 years

The basis for choosing a useful life of 5 years for both brand name and customer lists is in order to follow the wider group's policy with respect to the calculation of such intangibles. Explore Worldwide Limited is considered to be an enduring brand and business that will continue to deliver sustainable profits to the wider group over this period in the opinion of the directors. The order backlog relates to future holidays booked at the date of acquisition so has consequently been unwound over the first financial year in full, when the majority of profits from these bookings were delivered.

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 10 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.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

***Software***
Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of five years and system development over two or three years on a straight line basis. 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. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

### *1.12 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"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual cash-generating units or groups of cash-generating units on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

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.

### *1.13 Employee benefits*

***Defined benefit plans***
For eligible employees, the group pays for employee pension benefits by contributing to a defined benefit pension scheme. The scheme assets are held independently of the group. The expected future costs of providing pensions for employees under the defined benefits pension scheme are provided in the balance sheet of the group, 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.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

### *1.13 Employee benefits (continued)*

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 defined benefit pension scheme to new entrants from 1 November 2007, the group introduced the Hotelplan Limited Group Stakeholder Pension Plan and Inntravel Limited also operates a Group Stakeholder Pension Plan for their employees. This is a defined contribution pension scheme where the assets of the scheme are held separately from those of the company in an independently administered fund. All other remaining eligible employees were auto-enrolled on 1 May 2014 into a Group Personal Pension Plan in accordance with pension legislation and the assets held separately from those of the company in an independently administered fund.

The pension cost charge disclosed in note 22 represents contributions payable by the group 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.

### *1.14 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.

### *1.15 Turnover*

Turnover is the aggregate value receivable, net of discounts, from inclusive tours, 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.

### *1.16 Other operating income*

Operating income is commission based on the volume of bookings made through a third party online scheduled flights reservation system.

### *1.17 Expenses*

***Brochure and marketing costs***

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

***Operating lease***

Rentals payable 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).

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *1.18 Stocks*
Stock comprises of 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.

#### *1.19 Treasury Shares*
When the entity reacquires its own equity instruments, those instruments ('treasury shares') shall be deducted from equity. No gain or loss is recognised in the profit or loss account on the purchase, sale, issue or cancellation of an entity's own equity instruments. Consideration paid or received shall be recognised directly in equity. The amount of treasury shares held is disclosed separately in the balance sheet.

#### *1.20 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. Goodwill is adjusted by the amount of such deferred 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.

#### *1.21 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)*

### 2. 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 | 2022 |
|---|---|---|
| | £000 | £000 |
| United Kingdom | **198,679** | 144,171 |
| Rest of World | **13,663** | 6,718 |
| | **212,342** | 150,889 |

### 3. Other operating income

| | 2023 | 2022 |
|---|---|---|
| | £000 | £000 |
| Commission from airline booking system | **96** | 45 |
| | **96** | 45 |

### 4. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

| | 2023 | 2022 |
|---|---|---|
| | £000 | £000 |
| Auditor remuneration: | | |
| - audit of these financial statements | **22** | 22 |
| - audit of financial statements of subsidiaries of the company | **165** | 155 |
| - taxation compliance services | **49** | 58 |
| - all other services | **19** | 21 |
| Redundancy Costs | **0** | 117 |
| Depreciation – owned assets (note 13) | **408** | 670 |
| Amortisation of intangible assets (note 11) | **1,366** | 1,501 |
| Loss on disposal of tangible and intangible fixed assets | **147** | 39 |
| Profit on disposal of investment | **86** | - |
| Operating lease charges: | | |
| - land and buildings | **2,701** | 2,464 |
| - other operating leases | **218** | 87 |

# Notes to the financial statements *(continued)*

## 5. Staff numbers and costs

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

| | Number of employees | |
|---|---|---|
| | **2023** | 2022 |
| Sales | **234** | 194 |
| Operations | **64** | 60 |
| IT | **28** | 19 |
| Finance and administration | **45** | 37 |
| | **371** | 310 |

The aggregate payroll costs of these persons were as follows:

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Wages and salaries | **16,463** | 13,126 |
| Social security costs | **1,816** | 1,386 |
| Other pensions costs (note 22) | **735** | 580 |
| | **19,014** | 15,092 |

## 6. Directors' remuneration

The emoluments of 2 directors (2022: 2) are paid by the intermediate parent company MTCH AG which makes no recharge to the group or company. These individuals are directors of the intermediate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company. The immediate parent company changed during the 2022 financial year. The former immediate parent of the group, Hotelplan Management AG, merged with fellow subsidiary MTCH AG which resulted in MTCH AG becoming the new parent and immediate shareholder of Hotelplan (U.K. Group) Limited.

## Notes to the financial statements *(continued)*

### 7. Other income

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Government Grant – French loss of income relief | **-** | 1,341 |
| Government Grant - Austria loss of income relief | **389** | 1,068 |
| Total other income | **389** | 2,409 |

### 8. Interest receivable and similar income

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Bank interest receivable | **144** | 134 |
| Interest receivable from parent undertakings | **745** | 77 |
| Net foreign exchange gain | **96** | 504 |
| Total interest receivable and similar income | **985** | 715 |

### 9 Interest payable and similar expenses

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Bank Interest Payable | **4** | 7 |
| Interest payable to parent undertakings | **2,620** | 967 |
| Net foreign exchange loss | **-** | - |
| Total interest payable and similar expenses | **2,624** | 974 |

## Notes to the financial statements *(continued)*

### 10. Tax on Loss

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

| | 2023 £000 | £000 | 2022 £000 |
|---|---|---|---|
| *Current tax* | | | |
| Current tax on income for the period | **483** | | 65 |
| Adjustments in respect of prior periods | **147** | | - |
| Double taxation relief | **-** | | - |
| Overseas Corporation tax on profit for the year | **-** | | - |
| Total current tax | | **630** | |
| *Deferred tax (see note 20)* | | | |
| Origination and reversal of timing differences | **849** | | 658 |
| Adjustments in respect of prior periods | **539** | | (183) |
| Total deferred tax | | **1,388** | |
| Total tax | | **2,018** | |

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **£000 Current Tax** | **£000 Deferred tax** | **£000 Total tax** | £000 Current Tax | £000 Deferred tax | £000 Total tax |
| Recognised in Profit and loss account | **630** | **1,388** | **2,018** | 65 | 475 | 540 |
| Recognised in other comprehensive income | **-** | **(381)** | **(381)** | - | 192 | 192 |
| Total tax | **630** | **1,007** | **1,637** | 65 | 667 | 732 |

*Analysis of current tax recognised in profit and loss*

| | 2023 £000 | 2022 £000 |
|---|---|---|
| *UK corporation tax* | **313** | (126) |
| *Double taxation relief* | **-** | 61 |
| *Foreign tax* | **317** | - |
| *Total current tax recognised in profit and loss* | **630** | (65) |

The UK corporation tax rate for the current year is 22.5%.

## Notes to the financial statements *(continued)*

### 10. Tax on Loss *(continued)*

**Reconciliation of effective tax rate**

| | 2023<br>£000 | 2022<br>£000 |
|---|---|---|
| Profit/(Loss) before taxation | **4,030** | (1,716) |
| Tax using the UK corporation tax rate of 22.5% (2022 19%) | **907** | 326 |
| Double tax relief | **(61)** | (61) |
| Non-deductible expenses | **137** | 38 |
| Adjustments in respect of prior years | **686** | (184) |
| Transfer pricing adjustment | **402** | 217 |
| Intercompany loan impairment | **-** | 111 |
| Tax exempt revenue | **-** | 18 |
| Interest on intercompany loans | **-** | (79) |
| Timing differences | **-** | 236 |
| Others | | (20) |
| Change in tax rate | **(53)** | (61) |
| Total tax charge/(credit) included in profit or loss | **2,018** | 540 |

The UK corporation tax rate for the current year is 22.5%.

From 1 April 2023 the corporation tax rate increased to 25%. A hybrid rate has been used when calculating the taxation charge for the current tax year.

## Notes to the financial statements *(continued)*

### 11. Intangible assets and goodwill

*Group*

| | Goodwill | Brands | Customer Lists | Order Backlog | Software | Total |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| **Cost** | | | | | | |
| **Balance at 1 November 2021** | **52,768** | **1,629** | **7,354** | **4,474** | **2,891** | **69,116** |
| Additions | - | - | - | - | 345 | 345 |
| Disposals | - | - | - | - | (50) | (50) |
| **Balance at 1 November 2022** | **52,768** | **1,629** | **7,354** | **4,474** | **3,186** | **69,411** |
| Additions | - | - | - | - | 328 | 328 |
| Disposals | - | - | - | - | (150) | (150) |
| Reclassifications * | - | - | - | - | (177) | (177) |
| **Balance at 31 October 2023** | **52,768** | **1,629** | **7,354** | **4,474** | **3,187** | **69,412** |
| **Accumulated Amortisation and impairment** | | | | | | |
| **Balance at 1 November 2021** | **47,848** | **1,629** | **7,354** | **4,474** | **2,334** | **63,639** |
| Amortisation for the year | 1,205 | - | - | - | 296 | 1,501 |
| Disposals | - | - | - | - | (13) | (13) |
| **Balance at 1 November 2022** | **49,053** | **1,629** | **7,354** | **4,474** | **2,617** | **65,127** |
| Amortisation for the year | 1,205 | - | - | - | 161 | 1,366 |
| Disposals | - | - | - | - | (3) | (3) |
| **Balance at 31 October 2023** | **50,258** | **1,629** | **7,354** | **4,474** | **2,775** | **66,490** |
| **Net book value** | | | | | | |
| At 31 October 2022 | **3,715** | - | - | - | **412** | **4,284** |
| **at 31 October 2023** | **2,510** | - | - | - | **412** | **2,922** |

*£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.

Amortisation is recognised in the following line items in the profit and loss account:

| | 2023 | 2022 |
|---|---|---|
| | £000 | £000 |
| Administrative expenses | 1,366 | 1,501 |
| | **1,366** | **1,501** |

The company has no intangible assets or goodwill.

## Notes to the financial statements *(continued)*

### 12 Investments

**Fixed asset investments – Company**

| | Shares in subsidiary undertakings |
|---|---|
| | £000 |
| *Cost* | |
| Net book value at 31 October 2021 | 53,327 |
| Net book value at 31 October 2022 | 53,327 |
| Net book value at 31 October 2023 | 53,327 |

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 or registration:

| Name | Address | % ownership of ordinary shares | Country of incorporation | Principal activity |
|---|---|---|---|---|
| Hotelplan Limited | Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, UK | 100% | England | Tour operator |
| Hotelplan (Transport) Limited * | Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, UK | 100% | England | Transport services |
| Inntravel Limited * | Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, UK | 100% | England | Tour operator |
| Itinerary Limited * | Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, UK | 100% | England | Transport services |
| Hotelplan Internationale Reiseorganisation GmbH | Eduard-Bodem-Gasse 5-7, 6020 Innsbruck, Austria | 100% | Austria | Representative office |
| Inter Chalet Ferienhaus A.G. * | Sagereistrasse 20, CH-8152, Glattbrug, Switzerland | 100% | Switzerland | Provision of holiday accommodation |
| Hotelplan Travel Srl * | Corso Matteotti 44, 10121 Torino, Italy | 100% | Italy | Provision of holiday accommodation |
| Explore Worldwide Limited | Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, UK | 100% | England | Tour Operator |
| Explore Aviation Limited * | Nelson House, 55-59 Victoria Road, Farnborough, GU14 7PA, UK | 100% | England | Transport services |
| Adventure Travel Experience Inc * | 1853 Embarcadero, Suite 2C, Oakland CA 94606, USA | 100% | USA | Sales and marketing |
| Naturra Yurtel * | Kjóastaðir 2,Bláskógabyggð 801 Selfoss, Iceland | 100% | Iceland | Provision of Holiday Accommodation |
| Explore Worldwide Australia | Unit D, 107 Alfred St, Fortitude Valley QLD 4006 | 100% | Australia | Sales and marketing |

* Shareholding held by subsidiary of Hotelplan (U.K. Group) Limited.

The investment in Naturra Yurtel was disposed of during the financial year.

## Notes to the financial statements *(continued)*

### 13 Tangible assets

| Group | Freehold buildings | Fixtures and fittings, equipment | Motor vehicles | Assets under construction | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **Cost** | | | | | |
| **Balance at 1 November 2021** | **2,731** | **785** | **51** | **33** | **3,600** |
| Exchange Adjustments | - | (9) | - | - | (9) |
| Additions | - | 306 | - | - | 306 |
| Disposals | (32) | (112) | - | - | (144) |
| **Balance at 1 November 2022** | **2,699** | **970** | **51** | **33** | **3,753** |
| Additions | - | 802 | - | - | 802 |
| Disposals | - | (46) | (12) | - | (58) |
| Reclassification * | - | 177 | - | - | 177 |
| **balance at 31 October 2023** | **2,699** | **1,903** | **39** | **33** | **4,674** |
| **Accumulated depreciation and impairment** | | | | | |
| **Balance at 1 November 2021** | **(105)** | **407** | **42** | **-** | **344** |
| Exchange Adjustments | - | 3 | - | - | 3 |
| Depreciation charge for the year | 35 | 631 | 4 | - | 670 |
| Disposals | (32) | (110) | - | - | (142) |
| **Balance at 1 November 2022** | **(102)** | **931** | **46** | **-** | **875** |
| Depreciation charge for the year | 77 | 329 | 2 | - | 408 |
| Disposals | (37) | (9) | (12) | - | (58) |
| Reclassification | - | - | - | - | - |
| **balance at 31 October 2023** | **(62)** | **1,251** | **36** | **-** | **1,225** |
| **Net book value** | | | | | |
| At 31 October 2022 | 2,801 | 39 | 5 | 33 | 2,878 |
| **at 31 October 2023** | **2,761** | **652** | **3** | **33** | **3,449** |

* £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.

## Notes to the financial statements *(continued)*

### 14 Stocks

| | Group 2023 £000 | 2022 £000 |
|---|---|---|
| Raw materials and consumables | **36** | 39 |
| | **36** | 39 |

### 15 Debtors

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Trade debtors | **6,142** | 5,251 | - | - |
| Amounts owed by group undertaking | **7,436** | 5,766 | - | - |
| Amounts owed by subsidiaries | - | - | **4,500** | 5,000 |
| Other debtors | **2,419** | 2,699 | - | - |
| Corporation Tax | - | 121 | - | - |
| Derivative Financial Instruments (see note 19) | - | 540 | - | - |
| Prepayments and accrued income | **12,286** | 8,895 | - | - |
| | **28,283** | 23,272 | **4,500** | 5,000 |

| | | | | |
|---|---|---|---|---|
| Amounts falling due within one year | **28,212** | 23,260 | - | - |
| Amounts falling due after more than one year | **71** | 12 | **4,500** | 5,000 |
| | **28,283** | 23,272 | **4,500** | 5,000 |

Amounts owed by group undertaking and amounts owed by subsidiaries are unsecured, interest free and repayable on demand.

## Notes to the financial statements *(continued)*

### 16. Creditors: amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Trade creditors | **11,621** | 8,100 | - | - |
| Amounts owed to parent undertakings | **11,573** | 21,987 | **11,212** | 21,620 |
| Amounts owed to group undertakings | - | - | **7,470** | 7,964 |
| Advance payments in respect of future holidays | **51,095** | 52,821 | - | - |
| Other financial liabilities (see note 19) | **280** | - | - | - |
| Taxation and social security | **305** | 296 | - | - |
| Accruals and deferred income | **3,689** | 4,749 | - | - |
| Corporation tax payable | **271** | - | - | - |
| | **78,834** | 87,953 | **18,682** | 29,584 |

Amounts owed to parent undertaking are unsecured, mature at various dates within the next year and attract interest at commercial rates. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Interest is calculated on an arm's length basis annually using SONIA 12 months plus a 1% margin. The interest is payable in two half yearly instalments on 30 April and 31 October.

### 17. Creditors: amounts falling due after more than one year

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Amounts owed to parent undertakings | **40,525** | 27,525 | **40,525** | 27,525 |
| Advance payments in respect of future holidays | **817** | 1,045 | - | - |
| | **41,342** | 28,570 | **40,525** | 27,525 |

£40,525k of loans exist between Hotelplan (U.K. Group) Limited and Hotelplan Management AG. Interest is calculated on an arm's length basis annually using SONIA 12 months plus a 1% margin. The interest is payable in two half yearly instalments on 30 April and 31 October. The loans commenced on 7 May 2010 (£6,775k), 1 December 2015 (£13,000k) and 26 October 2020 (£20,750k). The loans are due to expire on 31 October 2025, 30 April 2025 and 31 October 2025 respectively. The amount of repayment is dependent on the level of EBITDA and no payment will be made should group EBITDA not exceed £5,000k.

Payments in respect of future holidays with departures after 31/10/2023 amounts to £817k compared to £1,045k for the previous year.

## Notes to the financial statements *(continued)*

### 18. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the interest-bearing loans and borrowings, which are measured at amortised cost.

| | Group and Company | |
|---|---|---|
| | **2023** | 2022 |
| | **£000** | £000 |
| **Creditors falling due within one year** | | |
| Unsecured loan from parent undertaking | **-** | 13,000 |
| **Creditors falling due after more than one year** | | |
| Unsecured loan from parent undertaking | **40,525** | 27,525 |

*Terms and debt repayment schedule*

| Group and Company | Currency | Nominal interest rate | Year of Maturity | Repayment schedule | 2023 £000 | 2022 £000 |
|---|---|---|---|---|---|---|
| Unsecured loan from parent undertaking | GBP | SONIA 12 months +1% | 31/10/2025 | Split evenly into two instalments per annum | **6,775** | 6,775 |
| Unsecured loan from parent undertaking | GBP | SONIA 12 months +1% | 30/04/2025 | Split evenly into two instalments per annum | **13,000** | 13,000 |
| Unsecured loan from parent undertaking | GBP | SONIA 12 months +1% | 31/10/2025 | Split evenly into two instalments per annum | **13,000** | 13,000 |
| Unsecured loan from parent undertaking | GBP | SONIA 12 months +1% | 31/10/2025 | Split evenly into two instalments per annum | **7,750** | 7,750 |
| | | | | | **40,525** | 40,525 |

### 19. Other financial (assets)/liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| **Amounts falling due within one year** | | | | |
| Derivative financial liabilities held for trading | 280 | - | - | - |
| Derivative financial assets held for trading | - | (540) | - | - |
| | **280** | (540) | - | - |

## Notes to the financial statements *(continued)*

### 20. Deferred tax assets and liabilities

| **Group** | **Assets** | | **Liabilities** | | **Net** | |
|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Tax loss carried forward | **5,831** | 6,273 | - | - | **5,831** | 6,273 |
| Accelerated capital allowances | **66** | 686 | - | - | **66** | 686 |
| Derivative contracts | **29** | 17 | - | (43) | **29** | (26) |
| Net tax assets/(liabilities) | **5,926** | 6,976 | - | (43) | **5,926** | 6,933 |
| | | | | | | |
| Due within one year | **1,544** | 1,139 | - | (43) | **1,544** | 1,096 |
| Due after more than one year | **4,382** | 5,837 | - | - | **4,382** | 5,837 |
| | **5,926** | 6,976 | - | (43) | **5,926** | 6,933 |

| **Company** | **Assets** | | **Liabilities** | | **Net** | |
|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Tax loss carried forward | **594** | 471 | - | - | **594** | 471 |
| Net tax assets | **594** | 471 | - | - | **594** | 471 |

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.

## Notes to the financial statements *(continued)*

### 21. Provisions for liabilities

| Group | Litigation | Onerous Contracts | Other provisions | Total |
|---|---|---|---|---|
| | **£000** | **£000** | **£000** | **£000** |
| Balance at 1 November 2021 | 272 | 1,084 | 528 | 1,884 |
| Provisions made during the year | - | - | 998 | 998 |
| Provisions used during the year | - | (360) | (150) | (510) |
| Provisions released during the year | - | (434) | - | (434) |
| FX revaluation of b/f provisions | 5 | - | 3 | 8 |
| **Balance at 31 October 2022** | **277** | **290** | **1,379** | **1,946** |
| Balance at 1 November 2022 | 277 | 290 | 1,379 | 1,946 |
| Provisions made during the year | - | - | 1,603 | 1,603 |
| Provisions used during the year | - | 12 | (766) | (754) |
| Provisions released during the year | - | (303) | (581) | (884) |
| FX revaluation of b/f provisions | 4 | - | 3 | 7 |
| **Balance at 31 October 2023** | **281** | **(1)** | **1,638** | **1,918** |

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 £1,137k of bonus provision, £386k of Chalet provisions, £79k for 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.

| Company | Onerous Contracts | Total |
|---|---|---|
| | **£000** | **£000** |
| Balance at 1 November 2021 | 125 | 125 |
| Provisions used during the year | (125) | (125) |
| **Balance at 31 October 2022** | - | - |
| Balance at 1 November 2022 | - | - |
| Provisions used during the year | - | - |
| **Balance at 31 October 2023** | - | - |

The company has no provisions.

## Notes to the financial statements *(continued)*

### 22. Employee Benefits

The Group'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 1 November 2021 The results of that valuation have been updated to 31 October 2022 by a qualified independent actuary.

The group 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 reporting year are £nil (2022 £nil).

***Net pension liabilities***

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £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** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Fair value at beginning of year | 23,290 | 40,108 |
| Interest income on scheme assets | 1,132 | 674 |
| Losses on 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 |

## Notes to the financial statements *(continued)*

### 22. Employee Benefits *(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 |
| Interest cost | 1,144 | 643 |
| Actuarial gains | (3,557) | (14,437) |
| Benefits paid | (843) | (966) |
| **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) | 1.10 | 3.10 |
| Inflation assumption (CPI) | 2.40 | 2.40 |
| Discount rate | 6.00 | 4.95 |
| Future pension increases | 2.20 | 2.20 |

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 |

## Notes to the financial statements *(continued)*

### 22. Employee Benefits *(continued)*

***Amounts recognised in the profit and loss account***

| | 2023 | 2022 |
|---|---|---|
| | £000 | £000 |
| **Amounts recognised in operating profit/(loss)** | | |
| Expenses recognised in arriving at operating profit/(loss) | 101 | 98 |
| **Amounts recognised in finance (income)/costs** | | |
| Net interest expense/(income) | 12 | (31) |
| **Total charge** | **113** | **67** |

The service cost and net interest expense are recognised in the income statement.

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

| | 2023 | 2022 |
|---|---|---|
| | £000 | £000 |
| Actuarial gains on the liabilities | (3,557) | (14,437) |
| Losses 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).

## Notes to the financial statements *(continued)*

### 23. Capital and reserves

**Called up share capital**

| **Group and company** | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| ***Authorised*** | | |
| 1,100,000 ordinary A shares of £1 each (2022: 1,100,000) | **1,100** | 1,100 |
| | **1,100** | 1,100 |
| ***Allotted, called up and fully paid*** | | |
| 1,100,000 ordinary A shares of £1 each (2022: 1,100,000) | **1,100** | 1,100 |
| | **1,100** | 1,100 |
| Shares classified in shareholders' funds | **1,100** | 1,100 |
| | **1,100** | 1,100 |

A shares comprise of 1,100,000 ordinary £1 shares totalling £1.1m and carry complete voting rights.

**Treasury share reserve**
On 10 May 2010, the company issued new ordinary B shares to shareholders. In 2016/17, the B shares were converted to ordinary A shares.

| **Group and company** | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| ***Authorised*** | | |
| 525,000 ordinary A shares of £1 each (2022: 525,000) | **(525)** | (525) |
| | **(525)** | (525) |
| ***Allotted, called up and fully paid*** | | |
| 525,000 ordinary A shares of £1 each (2022: 525,000) | **(525)** | (525) |
| | **(525)** | (525) |

## Notes to the financial statements *(continued)*

### 23. Capital and reserves *(continued)*

**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.

### 24. Financial instruments

***24 (a) Carrying amount of financial instruments***

The carrying amounts of the financial assets and liabilities include:

| | 2023 £000 | 2022 £000 |
|---|---|---|
| **Assets measured at amortised cost[3]** | | |
| Debtors: due within one year | **15,997** | 13,837 |
| Debtors: due after more than one year | **71** | 12 |
| Cash at bank and in hand | **49,697** | 47,315 |
| | **65,765** | 61,164 |
| **Assets measured at fair value through profit or loss[4]** | | |
| Derivative financial instruments | - | 540 |
| | - | 540 |
| **Liabilities measured at fair value through profit or loss[5]** | | |
| Derivative financial instruments | **(280)** | - |
| | **(280)** | - |
| **Liabilities measured at amortised cost[6]** | | |
| Creditors: amounts falling due within one year | (23,779) | (30,383) |
| Creditors: amounts falling due after more than one year | (40,525) | (27,525) |
| | **(64,304)** | **(57,908)** |

## Notes to the financial statements *(continued)*

[3] Assets measured at amortised cost are assets held with the objective to collect contractual cash flows on specified dates that relate solely to principal amounts outstanding and interest on those amounts

[4] Assets measured at fair value through profit and loss are financial assets that are re-measured at fair value where the cumulative gain or loss will be recognised in the profit and loss

[5] Liabilities measured at fair value through profit and loss are financial liabilities that are re-measured at fair value where the cumulative gain or loss will be recognised in the profit and loss statement

[6] Liabilities measured at amortised cost are liabilities held with the objective to disburse contractual cash flows on specified dates that relate solely to principal amounts outstanding and interest on those amounts

## Notes to the financial statements *(continued)*

### 24 Financial Instruments *(continued)*

### *24 (b) Financial instruments measured at fair value*

*Derivative financial instruments*

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using market data drawn by Migros from Bloomberg on the valuation date risk-free interest rate.

*Credit risk*

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally on receivables from customers.

The directors do not perceive the group to have a material credit risk as the majority of its agents are ABTA bonded and any that aren't, undergo a credit check. Due to the advance nature of our sales, at the date of the financial statements there is still time to re-sell the holiday in the case of any agent failure. Credit is not offered to direct customers.

*Liquidity risk*

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The directors do not perceive the group to have a liquidity risk as the full balance of customers holidays are due ten weeks prior to departure, with majority of associated costs incurred two weeks post-departure.

### *24 (c) Hedge accounting*

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to affect profit or loss:

| | **2023** | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Carrying amount £000** | **Expected cash flows £000** | **1 year or less £000** | **1 to <2 years £000** | Carrying amount £000 | Expected cash flows £000 | 1 year or less £000 | 1 to <2 years £000 |
| **Forward exchange contracts:** | | | | | | | | |
| Assets | **-** | **-** | **-** | **-** | 540 | 540 | 540 | - |
| Liabilities | **(280)** | **(280)** | **(280)** | **-** | - | - | - | - |
| | **(280)** | **(280)** | **(280)** | **-** | 540 | 540 | 540 | - |

The group purchases foreign exchange as a large swathe of direct costs are denominated in foreign currency, principally Euros, Swiss Francs and US dollars. With respect to these currencies, the group purchases large quantities via standard forward exchange contracts. At any given year-end, a number of forward contracts will exist that mature in the following financial year resulting in a gain or loss when compared to market rates at that time. Each forward contract has a specific maturity date and exact settlement in GBP.

The group follows this hedging strategy to mitigate transaction exposure and stabilise expected operating margins by enabling companies in the group to enter into forward contracts to fix the costing rates that help derive the selling pricing in GBP. The group does not enter into speculative transactions but actively manages its risks.

## Notes to the financial statements *(continued)*

### 25 Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £903k (2022: £679k). Receivables outstanding from key management personnel at 31 October 2023 amounted to £nil (2022: £nil).

### 26 Operating leases

Non-cancellable operating lease rentals are payable as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Less than one year | **3,485** | 2,689 | - | - |
| Between one and five years | **2,925** | 1,224 | - | - |
| More than five years | **227** | - | - | - |
| | **6,637** | 3,913 | - | - |

During the year, £2,507 was recognised as an expense in the profit and loss account in respect of operating leases (2022: £2,309k).

Operating leases/commitments which have been provided for as onerous in the period amounting to £nil (2022: £nil) have been excluded from this disclosure.

### 27 Commitments

*Capital commitments*

There were £nil contractual commitments to purchase tangible fixed assets or intangible assets at the year-end for either the group or Company (2022: £nil).

### 28 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of MTCH AG.

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 undertakings 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.

MTCH AG is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of MTCH AG can be obtained from 20 Sägereistrasse, CH8152 Glattbrugg, Zurich, Switzerland.

## Notes to the financial statements *(continued)*

### 29 Subsequent events

Hotelplan (U.K. Group) Limited's ultimate shareholder, Migros Co-operative, 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.

During December 2023, Hotelplan (U.K. Group) Limited and its UK subsidiaries were subject to a cyber attack from an external source. Certain systems and shared drives were affected and consequently fewer bookings than expected were taken during that month. We engaged external lawyers and forensic experts to ensure the threat was contained and systems were recovered. Due to the hard work and diligence of our IT and other teams, all systems were operating normally by the time the peak sales period began in January.

### 30 Accounting estimates and judgements

*Key sources of estimation uncertainty*

There are no key assumptions for the group or 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.

*Critical accounting judgements in applying the group's accounting policies*

Certain critical accounting judgements in applying the group's accounting policies are described below.

- Management apply judgement when assessing the carrying value of company investments in light of the recent volatility within the travel sector. Judgement is required when determining whether impairment indicators are present.
- Management apply judgement when assessing the probability of recovering the surplus on the pension scheme assets. Judgement is used to determine whether the company is likely to accrue a benefit once the scheme has been wound up.

*Key accounting estimates and assumptions*

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- The application of hedge accounting (see note 24 on derivative contracts. The group enter into both committed aviation and accommodation commitments and therefore have good visibility over future volumes. Furthermore, the group 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 group use the actuarial services of the independent consultants XPS Pensions to undertake this measurement. They provide steering on significant assumptions around discount rate, inflation, GMP 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 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.
- 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 few years, there is sufficient probability of future benefit to recognise the tax losses as a deferred tax asset.

## Notes to the financial statements *(continued)*

### 30 Accounting estimates and judgements *(continued)*

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. This requires judgement and estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

### 31 Contingent Liabilities

A group-wide financial guarantee is in place in respect to the CAA's ATOL Scheme of £18,021k (2022: £16,082k), £543k (2022: £1,652k) in respect of ABTA and £2,159k (2022: £2,106k) in respect of ABTOT.