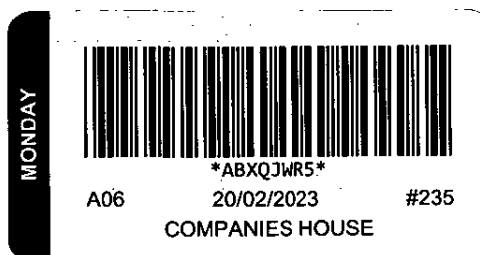


Company Registration No. 03629676 (England and Wales)

IGLU.COM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2022



IGLU.COM LIMITED

COMPANY INFORMATION

Directors	D Mills K Fox R Downs S Clark <i>L Vincent</i> S Millett E Burke D Gooch S Commins
Company number	03629676
Registered office	2nd Floor 165 The Broadway Wimbledon London United Kingdom SW19 1NE
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

IGLU.COM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present the strategic report for the year ended 31 May 2022.

Review of the Business and Future Developments

In the year ended 31 May 2022, the company generated gross retail turnover of £164m (up 181% on prior year) and gross profit of £18m (up 102% on prior year). Loss before tax for the financial year decreased by £12m to £0.1m. This was the third financial year (and second full financial year) impacted by the Covid-19 pandemic and the associated lockdowns, travel restrictions and disruption.

The business continues to undertake its activities under three main brands (Iglu Cruise, Iglu Ski and Planet Cruise), with staff historically being based at offices in Wimbledon and Portsmouth. Office space has been surrendered at both locations and a hybrid working model adopted by the business since the pandemic.

The brands are popular with and are trusted by both consumers and suppliers. This is evidenced by the multiple industry awards received and rebook levels.

Business is conducted through call centres, through agents based at the office sites or remotely, and online. Iglu.com avoids the overheads associated with operating high street shops but still benefits from interaction with customers by maintaining an online social media presence.

In previous financial years, the company had invested in expansion into international markets under the Planet Cruise brand and operated in four European markets. International activities were suspended in Q4 of the May 2020 reporting year in response to the pandemic, so that full focus could be diverted to the UK market. This pause continued throughout the May 2021 and May 2022 reporting years.

The operational challenges faced as a result of the Covid-19 pandemic continued into this financial year, despite a lower number of paused cruises and both UK and international cruises operating in summer 2021. The block cancellations of scheduled departures throughout the May 2021 reporting year continued into the May 2022 reporting year. Demand is recovering and bookings are being made for current and future seasons with customers rebooking cancelled 2020/21 cruises using enhanced value Future Cruise Credits offered by the cruise lines. The new bookings percentage continues to grow, showing increased customer confidence and appetite to cruise. The restriction on international cruising was lifted at the beginning of August 2021. This opened a wider market for UK cruisers, which had focussed on domestic and ex UK departures in the short term. There were significant challenges for the operational teams as the Covid-19 restrictions continuously changed and varied by country, cruise line and passenger age. Recovery during the year was negatively impacted by the Omicron variant which hit at the end of November 2021 and then the war in Ukraine which started in February 2022. In ski, following the cancellation of the 2020/21 season, we've seen a recovery for Winter 2021/2022 and strong interest in the 2022/2023 season. The Omicron variant also had an impact on ski, with the short notice cancellation of Christmas and New Year departures. Our teams and systems have adapted rapidly and effectively to address the needs of the business as the crisis continued; key being the process to action refunds and rebooks for cancelled bookings and managing the large and ever-changing information flow of Covid-19 restrictions by holiday supplier and destination. The business is monitoring the potential impact of the current economic climate as inflationary pressures could impact consumer confidence. Currently there has been minimal impact on trading but this continues to be assessed.

In September 2021 an additional £1.5m working capital was made available from a current facility, which was previously restricted. In July 2022, the group also received additional funding of £6.5m from its shareholders to improve the available working capital of the business. In October 2022, the group extended the bank loans repayable on 31 December 2022 to 31 December 2025, under similar terms.

IGLU.COM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Key performance indicators

The company monitors and reports on a number of Key Performance Indicators. Comparisons are made between years and against annual budgets. Key performance indicators form a significant part of our monthly management reporting.

Financial Key Performance Indicators

The company uses key measures such as average selling price and gross margin to measure performance and manage the business effectively. These measures were strong pre Covid-19 and were contributing good year on year growth. Management also monitor other indicators, such as volumes, by supplier. Other key performance indicators focus on the effectiveness of our marketing spends and the efficiency of our sales team at converting enquires to bookings. Administration costs have decreased significantly when compared to prior year, driven by a reduction in exceptional costs linked to the pandemic. The business has begun to rebuild its workforce following redundancies in November 2020. In addition, the business has recommenced marketing spends that were paused in response to reduced customer demand.

Non-financial Key Performance Indicators

Customer satisfaction is a focus for the business given the link to repeat bookings and we enjoy a Feefo rating of at least 4.5/5 across all brands. This reflects the business's commitment to excellent service even throughout times of crisis. Employee retention is also an important, non-financial, focus.

PRINCIPAL RISKS AND UNCERTAINTIES

The company holds comprehensive insurance cover for risk areas identified as significant. Management seek advice from external experts, where relevant, to reduce risks to an acceptable level.

The company continues to hold an Air Travel Organisers Licence, guaranteeing the protection of consumers' money or holiday plans in the unlikely event of the company's insolvency. This is granted by the Civil Aviation Authority, which acts as a regulator to the industry in which Iglu.com operates, ensuring the financial health of all licence holders. In addition, the company's membership of The Association of British Travel Agents (ABTA) demonstrates our continued adherence to high standards.

The company takes no commitment on flights or accommodation and therefore removes any fixed capacity risk.

The following are some of the key risks that the company faces:

Operational

As an online business, the business is reliant on Information Technology. Iglu.com has dedicated IT teams that are responsible for the maintenance, repair and enhancement of our front and back-office systems and associated reporting capabilities. This has enabled the company to maximise the efficiency of the operational procedures and will continue to be a key focus for the business in the coming years. There is a full disaster recovery plan in place, which includes the back-up of data offsite. During the Covid-19 lockdown, a full remote working model was successfully implemented for all staff.

Competition

Competition, which is high in normal conditions, has been intensified further during the Covid-19 pandemic. The company competes against other travel agents in the internet market place. However the directors believe that the strength of the brand, good supplier relationships and high level of in-house expertise gives them a strong competitive advantage. This is further enhanced by the company's increasing offering of online bookable product. The Board is confident that these attributes put the company in a strong position to rebuild and increase market share post pandemic.

IGLU.COM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Environmental and other regulatory requirements

Existing and possible future legislation, regulations and actions may cause additional expenses to the company, the extent of which cannot be predicted.

Iglu.com has undertaken an Energy Savings Opportunity Scheme (ESOS) assessment for both office sites and is compliant with the scheme. It also reports on emissions and energy consumption under the Streamlined Energy and Carbon Reporting (SECR) requirements. The business works to ensure continued compliance with the Package Travel Directive and General Data Protection Regulations, both of which were implemented in 2018.

There are continued risks of terrorism, political unrest, natural disasters or adverse weather conditions; however the industry has a good track record of responding to these events and the nature of cruising means that ships can be redeployed from affected areas to reduce exposure.

Cyber threats are a risk, but the company is PCI compliant and maintains systems and controls to safeguard against this.

The aftermath of the Covid-19 pandemic poses a number of risks to the business. A liquidity squeeze, caused by a high number of customer refunds and overhead fixed costs, was addressed through securing additional funding from existing lenders and shareholders. The company took advantage of UK government schemes, for example by furloughing staff and deferring tax payments. The Board worked to eliminate any discretionary overhead and marketing spends. The reputational risk to the brands has been reduced by strong crisis management. Customer queries, repatriations, cancellations and re-bookings have been dealt with as a priority. Our insurance policies offer cover for employer's liability, public liability and legal costs that might arise in connection with Covid-19. Supplier failures, linked to the tailor-made product, are a concern for the Board in the current environment but exposure is being managed and minimised. The company operates a Trust account to ensure ATOL customer monies are protected.

The 2021 reporting year saw the end of the Brexit transition period. The company continues to assess and mitigate the impact of the UK's decision to leave the EU.

The instability surrounding the war in Ukraine and the inflationary pressures linked to the UK's cost-of-living crisis are also identified as key risks.

Financial risks

Interest rate cash flow risk

The company has interest bearing assets and interest bearing liabilities. Interest bearing assets comprise its cash balances, which earn interest at the prevailing market rate. Interest bearing liabilities comprise its long-term loan notes.

Foreign exchange rate risk

The level of foreign currency transactions within the company is minimal and therefore it does not pose a material risk at the moment.

Credit risk

The company's credit risk is mainly attributable to receivables from customers not yet departed. Therefore credit risk is not concentrated.

RESEARCH AND DEVELOPMENT

During the year the company continued to develop bespoke software solutions for use across the business and websites.

IGLU.COM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Statement of director's duties to stakeholders

The Board has identified the following stakeholders and sets out the importance of engagement with these stakeholders below:

Shareholders - Continued access to capital is important for the long-term success of the business. Obtaining investors' buy-in into strategic objectives, and execution of those objectives, is key to prolonged support from shareholders. Understanding shareholders' ROI and value added requirements ensures alignment of goals.

Employees - A healthy work culture with strong engagement fosters higher levels of motivation, dedication and communication among staff. This translates into working efficiencies and higher quality output of greater value. Staff retention reduces spend and effort on training and recruitment.

Suppliers - The company is a strategic partner for global cruise lines and ski operators. Unlike other travel segments, there is minimal supplier/agent friction in cruise, as operators rely on agents to fill excess capacity on ships following increasing global cruise ship berths. Strong supplier relationships provide the company with a wide breadth of product and access to online marketing support and overrides. Positive engagement with overhead, financial services, IT and marketing providers is key to retaining a high level of service to customers through efficient and effective middle and back office functions.

Customers - Sales generate business value. Engagement with customers ensures product and service offering meets market needs, which in turn results in greater trading performance through higher value and repeat bookings. It also assists us in building the brands and enhancing the company's reputation, which delivers further growth in market share.

Lenders/Banks - Access to bank funding is important in ensuring day-to-day working capital commitments are met and their support is vital when dealing with regulatory issues.

Regulators/Trade bodies - Regulators, such as the CAA, monitor our financial and trading activities and determine the extent we can trade as a tour operator through the granting of an ATOL. Engagement with trade bodies such as ABTA allows us to signal a high level of service and financial protection for customers, enhancing our reputation, which positively impacts future revenue generation.

The Directors interact with these stakeholders in the following ways:

Shareholders - Representatives for all shareholders sit on the Iglufastnet Board and provide input for major strategic and operational decisions. Management shareholders are engaged in a similar way to employees, while private equity investors receive management information packs and financial information on a monthly basis, with any additional ad-hoc requests addressed as they arise.

Employees - Engagement is maintained through daily interactions between employees and their managers and wider teams. Firm wide communication is undertaken via emails and company messaging boards and meetings. Surveys and newsletters are circulated to obtain feedback on employee experiences and opinions and inform all parties on key updates. Staff parties, gatherings and activities allow more informal interactions and development of a cohesive workforce.

Suppliers - The company's Global Supply and Commercial team are in continual contact with holiday suppliers, whether on an ad-hoc, casual basis or more formally to re-negotiate commercial terms annually/quarterly. For all other suppliers (overhead, marketing and financial services), a key contact in the Iglu team is assigned to manage the relationship.

Customers - The company engages with customers through social media, cruise and ski events hosted around the UK, the Planet Cruise TV show and YouTube channel. Customers also have daily interactions with the business's customer care and sales teams, which enables constant feedback, while ratings sites such as Feefo also provide a platform for interaction.

Lenders/Banks - Regular submission of management information and financial reports, together with frequent meetings, ensures important information is communicated in both directions.

Regulators/Trade bodies - Management information and financial reports are sent over at regular intervals, as well as forms/declarations as requested. Meetings are arranged to discuss any major structural or operational changes as they arise.

IGLU.COM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

On behalf of the board



.....

R Downs

Director

Date: 31/10/22
.....

IGLU.COM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present their annual report and consolidated financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the company and group continued to be that of on-line specialist travel agent and tour operator.

Results and dividends

The results for the year are set out on page 13. No ordinary dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Mills
K Fox
R Downs
S Clark
L Vincent
S Millett
E Burke
D Gooch
S Commins

(Appointed 18 January 2022)

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Energy and carbon reporting

As a large, unquoted organisation, Iglu.com Limited is required to report energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations of 2018 because this entity meets the threshold for reporting.

The gross greenhouse gas (GHG) emissions figure includes all material Scope 1, 2 and 3 required to be disclosed by the legislation; that is the emissions associated with the purchase of electricity, the combustion of gas and the consumption of fuel for the purposes of transport. Scope 3 emissions due to transport and distribution losses for electricity are also disclosed voluntarily.

Measures taken to improve energy efficiency

In the period covered by the report, Iglu.com has not implemented any strategies to reduce their energy consumption although the restrictions surrounding the COVID-19 pandemic will have had a significant impact in energy consumption. The energy consumption included within this report will not be indicative of what should be considered a normal baseline.

IGLU.COM LIMITED

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

Greenhouse gas emissions and energy use data for the year ended 31 May 2022:

Energy source	SECR Reporting year 2021 - 2022	SECR Reporting year 2020 - 2021	Scope
Energy consumption used to calculate emissions Gas Heating Fuels (kWh)	N/A	N/A	1
Energy consumption used to calculate emissions Electricity (kWh)	103,253	180,871	2
Scope 1 - Emissions combustion from Heating Fuels (tCO ₂ e)	N/A	N/A	1
Scope 2 - Emissions from Purchased Electricity (tCO ₂ e)	21,924	42,168	2
Scope 3 - Emissions consumption from Business travel (tCO ₂ e)	7,930	29,163	3
Total Emissions (tCO ₂ e)	29,854	71,331	
Intensity ratio (number of employees)	245	312	
Total tCO ₂ e / FTE	122	229	

Methodology

The Green House Gas (GHG) Reporting Protocol – Corporate Standard has been followed to allow easy comparison with equivalent organisational reporting. Carbon emissions are therefore reported as Scope 1, 2 and 3 emissions. The report has also used the 2021 (updated March 2022) UK Government's Conversion Factors for Company Reporting.

This report used billing data provided by each landlord, where the information for Wimbledon and Portsmouth only has monthly costs, therefore an average unit rate per kWh has been applied to calculate the total annual kWh consumed. The information for Portsmouth provides sufficient information.

During 2020 and 2021, Iglu.com was required to effectively mothball the offices over the COVID-19 lockdown and 'work from home' periods. Prior to the pandemic, staff were based at the offices in Wimbledon and Portsmouth, with a small group of homeworkers (often seasonal). In response to the pandemic, the business conducted a redundancy process, resulting in a significant reduction in headcount. Post pandemic, Iglu.com now operates a hybrid working model, where all staff are given the option to work part of the time in the office, with the remaining time at home. The business has surrendered leased office space in both locations to adapt to this new model. Naturally, these events have had a significant impact on the benchmark consumption data.

As Iglu.com has made a business decision to allow the majority of staff to continue to work from home, naturally this has a significant impact on energy consumption. Therefore, with so many changes to the operational aspects of the business, a firm comparison is still not possible. The period 2020/21 is now being used as the comparison to calculate energy and emissions reductions.

Iglu.com has chosen to utilise an intensity metric that will support comparison to the baseline emissions in future years and will hopefully also seek to measure its emissions against peers for transparency. The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per number of employees, the recommended ratio for the sector.

IGLU.COM LIMITED

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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

In accordance with section 414 c (ii) of the Companies Act 2006, included in the Strategic Report is the review of the business, principal risks and uncertainties and key performance indicators of the business.

On behalf of the board



.....
R Downs
Director

Date: 31/10/22
.....

IGLU.COM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are 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. They are also 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGLU.COM LIMITED

Opinion

We have audited the financial statements of IGLU.COM Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the group and company may be adversely affected by any impact of the worsening economic climate on the return of consumer confidence and passenger demand following the disruption to the travel sector caused by the Covid 19 pandemic. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGLU.COM LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGLU.COM LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Air Travel Organiser's Licences, the Civil Aviation Authority and the Association of British Travel Agents. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls, revenue recognition and going concern as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. For revenue recognition, procedures included but were not limited to testing revenue analytically and substantively, cut off testing and testing of cancellations and credit notes. For going concern, our procedures included a review and challenge of the forecasts and associated assumptions prepared by management, a review of current year trading to date compared to budget, and consideration of the sensitivity of the key assumptions within the forecasts.

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

Use of our report

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

RSM UK Audit LLP

Ian Bell FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
31 October 2022

IGLU.COM LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
Group gross retail turnover		164,090,258	58,402,695
Turnover	3	35,959,904	17,575,466
Cost of sales		(18,287,495)	(8,834,986)
Gross profit		17,672,409	8,740,480
Administrative expenses		(18,193,517)	(23,209,218)
Other operating income		277,000	2,053,661
EBITDA before separately disclosed items		8,844,698	5,383,372
Exceptional items and international losses	4	(6,699,797)	(14,918,601)
Amortisation		(2,237,499)	(2,658,318)
Depreciation		(151,510)	(221,530)
Operating loss	4	(244,108)	(12,415,077)
Interest receivable and similar income	8	138,315	125,450
Interest payable and similar expenses	9	(7,442)	(121,842)
Loss on ordinary activities before taxation		(113,235)	(12,411,469)
Taxation	10	-	1,596,881
Loss for the financial year	23	(113,235)	(10,814,588)

Loss for the year is all attributable to the owners of the parent company.

IGLU.COM LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	11	-	-	-	-
Intangible assets	11	3,384,099		3,455,206	
Tangible assets	12	322,181		166,732	
		<u>3,706,280</u>		<u>3,621,938</u>	
Current assets					
Debtors	15	77,754,480		74,255,355	
Cash at bank and in hand		16,703,953		5,097,005	
		<u>94,458,433</u>		<u>79,352,360</u>	
Creditors: amounts falling due within one year	17	(64,060,868)		(65,966,403)	
Net current assets		<u>10,397,565</u>		<u>13,385,957</u>	
Total assets less current liabilities		<u>14,103,845</u>		<u>17,007,895</u>	
Creditors: amounts falling due after more than one year	18	(10,263,850)		(10,725,457)	
Provisions for liabilities	19	(1,300,000)		(3,629,208)	
Net assets		<u>2,539,995</u>		<u>2,653,230</u>	
Capital and reserves					
Called up share capital	22	2,300,943		2,300,943	
Profit and loss reserves	23	239,052		352,287	
Total equity		<u>2,539,995</u>		<u>2,653,230</u>	

The financial statements were approved by the board of directors and authorised for issue on 31/10/22 and are signed on its behalf by:



.....
R Downs
Director

IGLU.COM LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	11		-		-
Intangible assets	11	3,384,099		3,455,206	
Tangible assets	12	322,181		166,732	
Investments	13	56,341		56,341	
			3,762,621		3,678,279
Current assets					
Debtors	15	77,824,009		74,366,909	
Cash at bank and in hand		16,579,623		4,930,542	
			94,403,632		79,297,451
Creditors: amounts falling due within one year	17	(84,060,868)		(65,966,403)	
Net current assets			10,342,764		13,331,048
Total assets less current liabilities			14,105,385		17,009,327
Creditors: amounts falling due after more than one year	18	(10,263,850)		(10,725,457)	
Provisions for liabilities	19	(1,300,000)		(3,629,208)	
Net assets			2,541,535		2,654,662
Capital and reserves					
Called up share capital	22	2,300,943		2,300,943	
Profit and loss reserves	23	240,592		353,719	
Total equity			2,541,535		2,654,662

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £113,127 (2021 - £10,814,588 loss).

The financial statements were approved by the board of directors and authorised for issue on 31/10/22 and are signed on its behalf by:



R Downs
Director

IGLU.COM LIMITED

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

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 June 2020	2,300,943	11,166,875	13,467,818
Year ended 31 May 2021:			
Loss and total comprehensive income for the year	-	(10,814,588)	(10,814,588)
Balance at 31 May 2021	2,300,943	352,287	2,653,230
Year ended 31 May 2022:			
Loss and total comprehensive income for the year	-	(113,235)	(113,235)
Balance at 31 May 2022	2,300,943	239,052	2,539,995

IGLU.COM LIMITED

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

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 June 2020	2,300,943	11,168,307	13,469,250
Year ended 31 May 2021:			
Loss and total comprehensive income for the year	-	(10,814,588)	(10,814,588)
Balance at 31 May 2021	2,300,943	353,719	2,654,662
Year ended 31 May 2022:			
Loss and total comprehensive income for the year	-	(113,127)	(113,127)
Balance at 31 May 2022	2,300,943	240,592	2,541,535

IGLU.COM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24	13,658,950		(91,603)	
Interest paid		(7,442)		(44,176)	
Income taxes refunded		288,817		269,136	
Net cash inflow from operating activities		13,940,325		133,357	
Investing activities					
Purchase and development of intangible assets		(2,166,392)		(1,682,763)	
Purchase of tangible fixed assets		(307,663)		(78,446)	
Proceeds on disposal of tangible fixed assets		2,363		264	
Interest received		138,315		125,450	
Net cash used in investing activities		(2,333,377)		(1,635,495)	
Net increase/(decrease) in cash and cash equivalents		11,606,948		(1,502,138)	
Cash and cash equivalents at beginning of year		5,097,005		6,599,143	
Cash and cash equivalents at end of year		16,703,953		5,097,005	

IGLU.COM LIMITED

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

1 Accounting policies

Company information

IGLU.COM Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 2nd Floor, 165 The Broadway, Wimbledon, London, United Kingdom, SW19 1NE.

The group consists of IGLU.COM Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of IGLU.COM Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 May 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Going concern

The financial statements of the group and company have been prepared on a going concern basis. In assessing whether preparation on this basis is valid, the directors considered the potential impact of Covid-19, cost of living pressures and other economic factors on the activities and performance of the business through extensive forecasting and scenario modelling.

After two challenging years, the group is now in recovery from the Covid-19 pandemic having successfully managed the business through this period. During the year trading was strong with demand continuing to improve, despite the negative impacts of the omicron variant and the war in Ukraine. The current economic environment and uncertainty could have an impact on customer confidence and the volume and average selling price of cruises and ski holidays booked. Therefore, the Board have considered scenarios which sensitise the key assumptions. Flexibility of the business model means that when revenue is impacted by a slowdown in demand, the largely variable cost base can be reduced, and the company is able to generate profit and positive cash flow. The group will also be able to comply with all bank and CAA covenants in place.

In addition to the funding secured in October 2020, in September 2021 the group secured an additional £1.5m facility. A facility already in place, RCF B, was restricted and not available to draw down for working capital purposes. This was amended to allow it to be used as additional liquidity by the business if required. Following the year end, the group's bank loans that were repayable on 31 December 2022 were extended to 31 December 2025 on similar terms and further loan facilities of £6.5m have been extended by the shareholders to improve the available working capital of the business.

Iglu.com Limited currently holds an Air Travel Organiser's Licence (ATOL), issued by the Civil Aviation Authority (CAA), which is subject to an annual renewal process leading up to 1 October each year. It is required by the company in order to offer air inclusive holidays to customers. The CAA grants this licence on the basis of meeting agreed financial criteria. The ATOL licence was renewed on 1 October 2022 on substantially the same terms and conditions as the prior year, which includes the operation of a Trust. This restricts cash availability, however the business has the ability to reduce the volume of tailor made product to manage this impact if required.

The current unpredictability of the economic situation constitutes material uncertainties which may cast significant doubt over the group's and company's ability to continue trading as a going concern. However, based on the group's and company's cash flow forecasts and the current expectation on consumer demand in the ski and cruise market, along with consideration of the other economic uncertainties, the directors have concluded that there is a reasonable expectation that the group and company have adequate financial resources to operate for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements of the group and company have been prepared on a going concern basis.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

Turnover

Turnover, excluding value added tax, represents the value of transactions, being cruise, flights and ancillary products in which the group is, for these purposes, regarded as being the principal. Turnover also includes the commission receivable by the group on transactions in which it is regarded as acting as an agent. In all cases, turnover and any associated cost of sales are recognised on the booking date, which the directors consider to be the point where it is probable the economic benefits of the transaction flow to the company.

Gross retail turnover

In order to provide the user of the financial statements with a measure of the gross value of business the gross value of all sales transactions is shown as a memorandum item at the top of the profit and loss account. Total transaction value does not represent statutory turnover in accordance with Section 23 of FRS 102. In the majority of transactions the company acts as an agent. In such cases total transaction value represents the price at which products or services have been sold inclusive of any service fees but excluding commissions paid to third party distributors and any associated sales taxes. In cases where the company does act as principal, total transaction value represents the price at which products or services are sold, net of any value added taxes.

Cancellation provisions

Provision is made for liabilities arising in respect of expected cancellations and other margin movement on holidays booked in the year but not yet departed.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & computer equipment over 3 to 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts, if any.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

In considering the basis of revenue recognition, management consider that the booking date, and so the date at which a contract is formed with the customer, is the most appropriate.

Revenue is accounted for as principal or as agent depending on whether the company is providing a package holiday, as defined by The Package Travel Regulations in place at the time of booking. When acting as a principal, the full value of the package and associated costs are recognised. When acting as an agent, only the commission earned from the supplier is recognised.

External regulatory requirements

The group currently holds an Air Travel Organiser's Licence (ATOL), issued by the Civil Aviation Authority (CAA), which is subject to an annual renewal process leading up to 1 October each year. It is required by the company in order to offer air inclusive holidays to customers. The CAA grants this licence on the basis of meeting agreed financial criteria. IGLU.COM Limited has complied with these requirements during the periods presented and up to the date of signing these financial statements. The ATOL licence was renewed on 1 October 2022 on substantially the same terms and conditions as the prior year, which includes the operation of a Trust.

Capitalised software development

In determining the amounts to be capitalised, management must exercise judgement on the nature of development work undertaken by employees. Expenditure can be capital in nature (relating to the development of new software) or operational in nature (on-going maintenance of software). If the development costs can be attributed to the design and build of identifiable, separable software systems or functions that are expected to generate future economic benefits, they are recognised as intangible assets.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Cancellation provision

In formulating a provision for the estimated value of revenue that will subsequently be cancelled, management makes judgements that are based on turnover variations and historic cancellation data. The provision covers both a normal trading provision based on historical pre-Covid trends and a provision for additional Covid-19 impacts.

Tax

Tax assets and liabilities represent management's estimate of tax that will be payable or recoverable in the future and may be dependent on estimates of future profitability. In addition, estimates have been made in respect of the probable future utilisation of tax losses and deferred tax assets have been recognised. The recoverability of these assets is dependent on the agreement of the losses with the relevant authorities and the estimates of future profitability.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Commission for acting as agent	17,407,277	7,122,032
Sales value for acting as principal	18,552,627	10,453,434
	<u>35,959,904</u>	<u>17,575,466</u>
	2022 £	2021 £
Other revenue		
Interest income	138,315	125,450
Grants received	277,000	1,969,421
	<u></u>	<u></u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	35,830,556	17,402,710
Rest of Europe	129,348	172,756
	<u>35,959,904</u>	<u>17,575,466</u>

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	88	(11,609)
Government grants	(277,000)	(1,969,421)
Depreciation of owned tangible fixed assets	151,510	221,530
(Profit)/loss on disposal of tangible fixed assets	(1,659)	36,636
Amortisation of intangible assets	2,237,499	2,658,318
Operating lease charges	152,085	387,863

Separately disclosed items

Within operating profit there are exceptional items in the year of £6,699,797 (2021: £14,918,601) which relate to Covid-19 business interruption costs (£6,626,786 (2021: £14,200,507)) and one-off restructuring fees (£73,011 (2021: £718,094)). The costs associated with the impact of Covid-19 arise from repatriation costs of customers impacted by Covid-19 during their cruise, tailor made losses and unprotected commission.

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Sales & marketing	96	134	96	134
Management & administration	148	177	148	177
Total	244	311	244	311

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	9,295,561	9,347,696	9,295,561	9,347,696
Social security costs	1,028,447	1,021,120	1,028,447	1,021,120
Pension costs	288,484	312,918	288,484	312,918
	10,612,492	10,681,734	10,612,492	10,681,734

Of the total staff costs, £1,640,702 (2021: £1,437,227) have been capitalised as intangible fixed assets.

Included within other income is an amount of £277,000 (2021: £1,969,421) in respect of contributions towards staff salary costs under the coronavirus job retention scheme.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,133,214	708,290
Company pension contributions to defined contribution schemes	37,292	28,379
	<u>1,170,506</u>	<u>736,669</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 8 (2021 - 7).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	224,872	141,500
Company pension contributions to defined contribution schemes	7,395	5,667
	<u>232,267</u>	<u>147,167</u>

7 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	42,650	38,750
Audit of the financial statements of the company's subsidiaries	5,060	4,600
	<u>47,710</u>	<u>43,350</u>
For other services		
Taxation compliance services	-	5,750
All other non-audit services	7,215	14,200
	<u>7,215</u>	<u>19,950</u>

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	-	450
Interest receivable from group companies	125,000	125,000
Other interest income	13,315	-
	<u>138,315</u>	<u>125,450</u>

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

8 Interest receivable and similar income (Continued)

Interest on financial assets not measured at fair value through profit or loss	138,315	125,450
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9 Interest payable and similar expenses

	2022 £	2021 £
Other finance costs:		
Other interest	7,442	121,842

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	(380,000)
Adjustments in respect of prior periods	-	(360,831)
Total current tax	-	(740,831)
Deferred tax		
Origination and reversal of timing differences	-	(856,050)
Total tax charge/(credit)	-	(1,596,881)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(113,235)	(12,411,469)
Expected tax charge based on the effective rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(21,515)	(2,358,179)
Tax effect of expenses that are not deductible in determining taxable profit	3,113	136,406
Tax effect of utilisation of tax losses not previously recognised	-	(380,000)
Adjustments in respect of prior years	-	(360,831)
Permanent capital allowances in excess of depreciation	(17,349)	670
Research and development tax credit	-	(16,006)
Deferred tax not recognised	35,751	1,381,059
Taxation for the year	-	(1,596,881)

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

10 Taxation (Continued)

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. As this change was substantively enacted at the balance sheet date, deferred tax is recognised at a rate of 25% in the current year (2021: 19%).

11 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 June 2021	2,464,073	11,404,027	13,868,100
Additions	-	2,166,392	2,166,392
Disposals	-	(424,876)	(424,876)
At 31 May 2022	2,464,073	13,145,543	15,609,616
Amortisation and impairment			
At 1 June 2021	2,464,073	7,948,821	10,412,894
Amortisation charged for the year	-	2,237,499	2,237,499
Disposals	-	(424,876)	(424,876)
At 31 May 2022	2,464,073	9,761,444	12,225,517
Carrying amount			
At 31 May 2022	-	3,384,099	3,384,099
At 31 May 2021	-	3,455,206	3,455,206
Company			
	Goodwill £	Software £	Total £
Cost			
At 1 June 2021	2,787,832	11,404,027	14,191,859
Additions	-	2,166,392	2,166,392
Disposals	-	(424,876)	(424,876)
At 31 May 2022	2,787,832	13,145,543	15,933,375
Amortisation and impairment			
At 1 June 2021	2,787,832	7,948,821	10,736,653
Amortisation charged for the year	-	2,237,499	2,237,499
Disposals	-	(424,876)	(424,876)
At 31 May 2022	2,787,832	9,761,444	12,549,276
Carrying amount			
At 31 May 2022	-	3,384,099	3,384,099
At 31 May 2021	-	3,455,206	3,455,206

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

11 Intangible fixed assets (Continued)

The amortisation charge for the year is included in administrative expenses.

12 Tangible fixed assets

Group and company		Fixtures, fittings & computer equipment £
Cost		
At 1 June 2021		1,048,057
Additions		307,663
Disposals		(305,721)
At 31 May 2022		1,049,999
Depreciation and impairment		
At 1 June 2021		881,325
Depreciation charged in the year		151,510
Eliminated in respect of disposals		(305,017)
At 31 May 2022		727,818
Carrying amount		
At 31 May 2022		322,181
At 31 May 2021		166,732

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	56,341	56,341

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments	Shares in group
Company	undertakings
	£
Cost	
At 1 June 2021 and 31 May 2022	276,178
Impairment	
At 1 June 2021 and 31 May 2022	219,837
Carrying amount	
At 31 May 2022	56,341
At 31 May 2021	56,341

14 Subsidiaries

Details of the company's subsidiaries at 31 May 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Directly
IGLU.COM Transport Limited	2nd Floor, 165 The Broadway, Wimbledon, London, United Kingdom, SW19 1NE	Transport services	Ordinary	100.00
Planet Cruise Limited *	As above	Not trading	Ordinary	100.00

All companies above denoted with a * are exempt from audit by virtue of Section 479A of the Companies Act 2006. In accordance with Section 479C of the Companies Act 2006, Iglufastnet Limited has provided guarantees over the liabilities of these subsidiaries.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	57,754,123	54,614,234	57,754,123	54,614,234
Corporation tax recoverable	761,625	1,050,442	761,625	1,050,442
Amounts due from group undertakings	1,557,658	435,222	1,627,187	546,884
Other debtors	163,635	211,297	163,635	211,189
Prepayments and accrued income	736,483	655,944	736,483	655,944
	60,973,524	56,967,139	61,043,053	57,078,693
Deferred tax asset (note 20)	3,002,000	3,002,000	3,002,000	3,002,000
	63,975,524	59,969,139	64,045,053	60,080,693
Amounts falling due after one year:				
Trade debtors	11,278,956	11,786,216	11,278,956	11,786,216
Amounts due from group undertakings	2,500,000	2,500,000	2,500,000	2,500,000
	13,778,956	14,286,216	13,778,956	14,286,216
Total debtors	77,754,480	74,255,355	77,824,009	74,366,909

Of the loans to group undertakings, £2,500,000 (2021: £2,500,000) is due for repayment in 2029 with interest being charged at a rate of 5% per annum.

16 Cash at bank and in hand

Included within cash at bank and in hand is an amount of £3,589,467 (2021: £nil) held by the Iglu.com Limited Air Travel Trust ("the Trust"). The Trust account represents restricted cash held separately and used to safeguard monies received from customers. The funds are only accessible once the Trust rules are met as approved by our Trustees and the Civil Aviation Authority.

17 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	73,214,282	56,955,175	73,214,282	56,955,175
Amounts owed to group undertakings	2,500,000	3,355,450	2,500,000	3,355,450
Other taxation and social security	7,776,132	5,031,175	7,776,132	5,031,175
Accruals and deferred income	570,454	624,603	570,454	624,603
	84,060,868	65,966,403	84,060,868	65,966,403

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

17 Creditors: amounts falling due within one year (Continued)

Iglu.com Limited is an IATA member but the business has not opted into using the associated BSP system. Therefore the BSP balance at the year end was nil (FY21 nil).

18 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	10,263,850	10,725,457	10,263,850	10,725,457

19 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Cancellation provision	1,300,000	3,629,208	1,300,000	3,629,208

Movements on provisions:

Group	Cancellation provision £
At 1 June 2021	3,629,208
Additional provisions in the year	1,337,000
Utilisation of provision	(3,666,208)
At 31 May 2022	1,300,000

Company	Cancellation provision £
At 1 June 2021	3,629,208
Additional provisions in the year	1,337,000
Utilisation of provision	(3,666,208)
At 31 May 2022	1,300,000

A cancellation provision of £1,300,000 (2021: £3,629,208) has been recognised for the group and company for expected cancellations and other margin dilution on holidays booked prior to the year end but not yet departed. It is expected that most of this provision will be utilised in the next financial year and all will be incurred within two years of the balance sheet date.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2022 £	Assets 2021 £
Group		
Tax losses	3,002,000	3,002,000
	<u> </u>	<u> </u>
	Assets 2022 £	Assets 2021 £
Company		
Tax losses	3,002,000	3,002,000
	<u> </u>	<u> </u>

There were no deferred tax movements in the year.

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	288,484	312,918
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	2022 Number	Group and Company 2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	2,300,943	2,300,943	2,300,943	2,300,943
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company's Ordinary shares carry full voting, dividend and capital distribution (including on winding up) rights but do not confer any rights of redemption.

23 Reserves

Profit and loss reserves

Retained earnings represent cumulative profit and loss net of distribution to owners.

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

24 Cash generated from group operations

	2022 £	2021 £
Loss for the year after tax	(113,235)	(10,814,588)
Adjustments for:		
Taxation charged/(credited)	-	(1,596,881)
Finance costs	7,442	121,842
Investment income	(138,315)	(125,450)
Loss on disposal of tangible fixed assets	(1,659)	36,636
Amortisation and impairment of intangible assets	2,237,499	2,658,318
Depreciation and impairment of tangible fixed assets	151,510	221,530
(Decrease) in provisions	(2,329,208)	(2,294,755)
Movements in working capital:		
(Increase)/decrease in debtors	(3,787,942)	20,775,425
Increase/(decrease) in creditors	17,632,858	(9,073,680)
Cash generated from/(absorbed by) operations	13,658,950	(91,603)

25 Analysis of changes in net funds - group

	1 June 2021 £	Cash flows £	31 May 2022 £
Cash at bank and in hand	5,097,005	11,606,948	16,703,953

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2022 £	2021 £
Aggregate compensation	1,313,422	825,917

IGLU.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

27 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for use of its properties and certain equipment.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	188,106	159,283	188,106	159,283
Between one and five years	-	196,286	-	196,286
	<u>188,106</u>	<u>355,569</u>	<u>188,106</u>	<u>355,569</u>

28 Ultimate parent undertaking and ultimate controlling party

The directors consider the ultimate parent undertaking to be Iglufastnet Limited, a private limited company incorporated in the United Kingdom, which is the parent of the largest group for which consolidated accounts including IGLU.COM Limited are prepared. Copies of the consolidated accounts of Iglufastnet Limited can be obtained from its registered office, 2nd Floor, 165 The Broadway, Wimbledon, London, United Kingdom, SW19 1NE.

IGLU.COM Holidays Limited is the immediate parent company by virtue of its ownership of 100% of the share capital of IGLU.COM Limited.

The directors consider there to be no ultimate controlling party.

29 Contingent liabilities and assets

The company had insurance covered ABTA bonds at the year end to the value of £1,179,489 (2021: £2,017,936).

On 31 May 2013, a deed of guarantee was entered into by IGLU.COM Holdco Limited with the CAA on behalf of IGLU.COM Limited. There is no maximum liability under this guarantee. An accession deed was signed by Iglufastnet Limited on 12 June 2015 following the change in ultimate parent undertaking.

The company has other bonds to the value of £nil (2021: £150,000).