

Reed & Mackay Holdings Limited

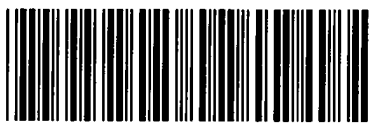
Annual report and financial statements

Period Ended

31 January 2022

Company Number 05577881

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Reed & Mackay Holdings Limited

Report and financial statements for the period ended 31 January 2022

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Directors

R Bartov (Appointed 29 January 2022)
G Bennett (Appointed 29 January 2022)
F A Stratford
T Tuchscherer (Appointed 01 May 2021)

Secretary and registered office

F A Stratford, Nexus Place, 25 Farringdon Street, London, EC4A 4AF

Company number

05577881

Auditors

Deloitte LLP, 2 New Street Square, London, EC4A 3BZ

Reed & Mackay Holdings Limited

Strategic report for the period ended 31 January 2022

The directors present the group strategic report together with the audited financial statements for the 10-month period ended 31 January 2022. The comparative period covers the 12 months ended 31 March 2021.

Principal activities

The principal activity of the company is that of a holding company for the Reed & Mackay group which provides corporate travel management solutions to companies across the globe and is engaged in the booking and ticketing of flights, hotels and ancillary services for business travel and the arrangement of corporate events and meetings throughout the world. There have been no changes in the group's principal activities in the period under review.

Business review

Following a period of consistent growth in the corporate travel environment, the onset of the Covid-19 pandemic has had a profound impact on the travel industry, affecting the Group's trading levels throughout the financial period. The volume of travel bookings has reduced to historical lows as clients, airlines and governments continue travel restrictions due to the pandemic, however following the upward return to travel trend, we have seen a consistent level of growth that we are optimistic will return to pre-pandemic trading levels.

The Reed & Mackay Group continues to have a presence in the UK, USA, France, Germany, Netherlands, Canada, Dubai, Singapore, Australia, New Zealand and India. The acquisition of the Group by TripActions Inc. on 30th April 2021, has aided our expansion and worldwide presence.

As part of a group reorganisation during the period, the company disposed of its investment in Reed & Mackay Travel Inc to our parent company TripActions Inc, further details can be found in note 11. Furthermore, the group acquired the remaining shares in Reisebüro Moll GmbH, which is now recognised as a subsidiary company having been an associate previously, further details can be found in note 26.

The Reed & Mackay Group has over 40 representatives of like-minded Travel Management Companies throughout all continents and regions and is a market-leading platform to provide customers with a truly global travel solution, whilst retaining expertise and knowledge at local levels. The group offers global service excellence including reporting and supplier deal negotiation and is a platform for providing new business on a reciprocal basis to its partners.

Despite the low levels of trading, the group has continued its investment programme geared to client retention, enhancing the traveller experience and delivering best-in-class travel technology tools. These include traveller safety enhancements and additional sustainability information. The group continues to develop and enhance its market-leading range of technology offerings including its online booking tool R&M/Book, mobile booking through handheld devices, business intelligence through R&M/Insights, traveller safety through R&M/Protect, and many other applications including its unique client portal and approval tools. The group enjoys excellent engagement with existing clients and continues to build a strong pipeline of new opportunities even during the difficult circumstances caused by the Covid-19 pandemic.

Future developments

Notwithstanding the impact of the pandemic on the industry, the market for the provision of business travel services has remained very competitive. The Group's focus on service delivery, cost savings and value-added benefits to its customer base, has allowed the Group to win new business whilst maintaining exceptional retention rates. The Group actively seeks to reduce the total cost of travel via various channels - tactical fare purchasing at point of sale, efficiency measures and a consultative approach via the Customer Success Management Team. The Group's long-standing partnership relationships with clients and service providers are highly valued and maintaining these relationships is a key component of the Group's remuneration scheme; staff are rewarded based on service levels and savings they achieve on behalf of clients. The Group seeks to manage the risk of losing clients to key competitors by the provision of added value services, in-depth understanding of client needs, driving down the overall cost of travel and by managing targeted business plans which deliver the client's key objectives.

Reed & Mackay Holdings Limited

Strategic report (*continued*) for the period ended 31 January 2022

Future developments (*continued*)

The Group's consulting and advisory services to help clients strategically manage their travel programme continues to provide clients with tangible added value.

The Group actively encourages the building of close relationships with its client base and service providers. Regular meetings are held with clients and service providers to share first-hand experiences. The Group uses these sessions to further improve its service offering to ensure that it remains a prominent thought leader in travel solutions and service delivery.

The Group monitors trading and its cash position daily and undertakes in-depth reviews of the Group's margins, profitability and Key Performance Indicators each month.

The Group continues to focus on applying best practices across the organisation and in doing so, has acquired the following certifications: ISO 9001 Quality (held since October 2006); ISO 27001 Information Security (held since August 2007); ISO 14001 Environmental (held since October 2009), PCI DSS Compliance certification (held since June 2010) and ISO22301 Business Continuity (held since July 2013).

The Directors wish to express thanks to the group staff for their continued commitment and contribution to the Group's success in delivering exceptional value to its clients, especially during these extremely challenging times.

Key performance indicators

The key performance indicators of the Group are as follows:

	10-month period ended 31 January 2022 £'000	Year ended 31 March 2021 £'000	Difference %
Turnover	26,508	18,551	43
Operating (Loss)	(12,532)	(21,795)	43
(Loss) after tax	(6,614)	(22,027)	70
Average number of employees	551	740	(26)

Review of financial performance

The Group's total loss after tax for the period was £6.6m (2021: loss £22.0m) and operating loss amounted to £12.5m (2021: loss £21.8m).

The average number of employees has fallen year on year, however R&M continue to actively recruit employees in line with the return to travel upward trend to ensure we continue to provide high quality service for our clients.

The Group had net assets at the period-end of £37m (2021: £43.7m) and cash and cash equivalents of £15.9m (2021: £27.7m).

Reed & Mackay Holdings Limited

Strategic report for the period ended 31 January 2022 (*continued*)

Post Balance Sheet Events

Subsequent to the year end the Group undertook a group reorganisation whereby a number of its fellow group companies were placed into liquidation to simplify the group structure. The liquidation of these entities resulted in the net settlement amounting to £10,752k of intercompany balances through a £20,941k capital contribution provided by the ultimate parent company, TripActions Inc.

Principal risks and uncertainties

The Group's risk management framework includes a process for identifying, assessing and responding to risk and supporting the group's strategy and business objectives.

Risk management operates at all levels throughout the business. However, the Directors take overall responsibility, determining the nature and extent of principal risks they are willing to take to achieve the group's strategic objectives, and maintaining the group's risk governance structure and appropriate internal control framework.

The principal risks faced by the business are as follows:

COVID-19

The COVID-19 crisis has caused massive disruption to all aspects of life and significantly affected the travel industry globally. The directors have considered the impact on the group's revenue streams, operational and administrative costs and liquidity. As noted above, the group has experienced a significant decline in revenue since February 2020 and has taken measures to control costs through a combination of removing all discretionary spend, reduced staff numbers and utilisation of government schemes where these apply. The group has prepared forecasts and modelled the combined effects of the decline in revenue and costs reduction based on various scenarios relating to the probable timing and pace of recovery in corporate travel. This detailed review has demonstrated that the group has sufficient liquidity to meet its day to day working capital requirements from its cash reserves, including scenarios where there is a slow and gradual recovery in corporate travel.

Credit risk

The Group's credit risk is primarily attributable to its trade debtors, while the majority of supplier payments are to the airlines through direct debit. Credit risk is managed by the Group's Credit Policy: running credit checks on new clients, tracking credit scores on existing clients and by monitoring payments against contractual agreements. No long-term commitments are made without funds being received from clients.

Cash flow risk

The group monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections monthly and ensures that appropriate facilities are available to be drawn upon as necessary. The Group continues to focus on cash retention and limiting discretionary spend and finished the period with a cash balance of £15.9m (2021: £27.7m).

Foreign exchange risk

As the Group continues to expand its international presence its exposure to foreign exchange movements increases. This is monitored on a month by month basis.

Reed & Mackay Holdings Limited

Strategic report for the period ended 31 January 2022 (*continued*)

Principal risks and uncertainties (*continued*)

S172 Statement

Large companies must publish a statement setting out how their Directors have complied with Section 172(1) of the Companies Act 2006. This requires Directors to act in the way they consider would most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) and forms the Directors' statement under section 414CZA of The Companies Act 2006.

The Directors consider, both individually and collectively, that we have acted in the way we consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the period ended 31 January 2022.

Decision-making at the Board

The Board consists of experienced Executive Directors who bring considerable experience and perspective to the decision-making process. The responsibilities of the Board are set out in the Company's Articles of Association. The Board meets on a regular basis and all matters in which the Board is required to reach a decision are presented at Board meetings. Supporting papers setting out to the Directors the relevant key facts are also provided. The papers also describe any potential impacts and risks for the Company, its clients, employees, shareholders and other stakeholders including suppliers, the community and environment, and how these are to be managed.

In the 10-month financial period ended 31 January 2022, and as a result of the Covid pandemic and reduced levels of business, the board made the decision to implement a continued ban on discretionary expenditure. These decisions were necessary to reduce the impact of the pandemic on the group. It was also decided to continue to make use of the Government's Coronavirus Job Retention Scheme, to enable the business to retain the industry knowledge and talent that its staff possess.

Reed & Mackay Holdings Limited

Strategic report
for the period ended 31 January 2022 (*continued*)

S172 Statement (*continued*)

Employees

The Directors consider its employees to be a primary stakeholder in the business and strives to retain and motivate all employees as well as attracting high quality new talent. The culture is to be supportive and actively recognise efforts, ensuring employees feel they are making an impact doing fulfilling work, as well as encouraging people to grow and develop. The group has a strong focus on employee engagement and HR strategy and seek to develop a workplace that employees enjoy being a part of. The wellbeing of employees is very important, and integrating work and family life, as well as taking care of oneself and giving back to the community are all encouraged.

Diversity and equal opportunity are of great importance at Reed & Mackay, we believe it's the only way to ensure everyone can reach their full potential. We are proud of our inclusive culture and the part it plays in attracting and retaining a talented workforce with real passion for delivering extraordinary service.

Clients

At Reed & Mackay, our clients are at the heart of what we do. Our desire for service is matched only by our dedication to value. Our travel experts search harder, explore further and think smarter to deliver our clients the best possible solution. To give our consultants the edge, we combine their talents with our very own industry leading technology. By empowering them with wide reaching multi-channel content they are able work faster and smarter – to find the best price, the safest route or the quickest alternative should something unexpected arise.

Environment

We recognise that business travel has an impact on the environment. As a result, we are fully committed to minimising this impact along with our clients. Certified to ISO 14001, the international environmental accreditation, we work hard to reduce the carbon footprint of our business and that of our clients' travel programmes.

High standards of business conduct

The Board set out to behave in a responsible manner, operating with the highest standards of business conduct and good governance. This is epitomised in the certifications achieved for ISO 9001 (Quality) ISO 22301 (Business Continuity Management) and ISO 27001 (Information Security Management), ensuring that risks are identified and minimised, and that the business has the resource and ability to continue to provide the highest quality service to its clients even when unexpected situations arise, such as the recent Covid-19 pandemic.

We work closely and collaboratively with our service providers, including airlines, hotels and transport services, and suppliers, including our technology partners, developing a partnership approach to foster sound commercial relationships that ultimately benefit our clients.

The Board recognises and continues to protect and promote the Reed & Mackay brand and reputation which has been built over 50 years on the foundation of the highest standards of service and integrity.

Approval

This strategic report was approved by the Board on 27 October 2022 and signed on its behalf by:


F A Stratford
Director

Reed & Mackay Holdings Limited

Directors' report for the period ended 31 January 2022

The directors present their report together with the audited financial statements for the 10-month period ended 31 January 2022.

Results and dividends

The consolidated statement of comprehensive income is set out on page 14 and shows the loss for the period.

The directors do not recommend the payment of a dividend (2021 - £Nil).

Directors

The directors of the company during the period and to the date of this report, unless otherwise stated, were:

F A Stratford
R Bartov (Appointed 29 January 2022)
G Bennett (Appointed 29 January 2022)
T M Tuchscherer (Appointed 01 May 2021)
J Hanly (Resigned 30 November 2021)
L Batchelor (Resigned 30 April 2021)
A Baumfield (Resigned 1 May 2021)
J Breheny (Resigned 30 April 2021)
M Everson (Resigned 1 May 2021)
J Oliver (Resigned 1 May 2021)

Statement of Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of directors and officers of the Group which were made during the period and exist at the date of this report.

Employment of disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the group. Particular attention is paid to the training, career development and promotion of employees who are disabled with a view to encouraging them to play an active role in the development of the group.

Employee engagement

The group is committed to engaging employees in the performance and direction of the group. Through the group's performance development plans and incentive schemes, employees' objectives are closely aligned to those of the group. Management is committed to having the industry leading training programme and has continued to invest in bespoke training, including our 'Aspire' management development programme (which is accredited through ILM). Furthermore, as part of a blended employee engagement approach, the group has developed several core e-learning programmes. Employees also attend quarterly business updates and an annual conference where, through interactive sessions, ideas around business development and industry innovation are shared.

Corporate social responsibility

The group is committed to operating to the highest ethical standards; this includes all of its dealings with customers, employees, shareholders and other stakeholders. The Group obtained its ISO14001 accreditation successfully in the prior year, which was initially obtained in 2009.

A consulting service is provided to customers advising on the most carbon efficient method of travel available to them. This is backed up with carbon emission reporting that is supplied to companies to assist in the reduction of their carbon footprint.

Reed & Mackay Holdings Limited

Directors' report for the period ended 31 January 2022 (*continued*)

Streamlined Energy and Carbon Reporting ('SECR')

The group is committed to reducing the energy consumption and carbon impact of its business and to supporting our clients in reducing the impact that business travel has on the environment.

The following has been prepared under the SECR requirements, showing data for the largest UK company within the group, Reed & Mackay Travel Limited. The report excludes information relating to foreign subsidiaries, as these entities are not obliged to be reported. This report measures Green House Gas ('GHG') emissions and energy usage for the period from 1 April 2021 to 31 January 2022.

Reporting Category	Previous year 1st April 2020 - 31st March 2021 (pro-rated to a 10-month year)	Current period 1st April 2021 - 31st Jan 2022 (10 months)	Methodology
Energy consumption:	97 Mwh	133 Mwh	Based on energy supplier bills
Emissions from combustion of fuel for transport purposes (Scope 1)	0.1 tCO ₂ e	0.1 tCO ₂ e	Based on UK business mileage claimed using DEFRA 2021 conversion factors
Emissions from purchased electricity (Scope 2, location-based)	26 tCO ₂ e	28 tCO ₂ e	Based on energy consumption above using DEFRA 2021 conversion factors for UK electricity
Emissions from business travel in rental cars or employee - owned vehicles where company is responsible for purchasing the fuel (Scope 3)	2 tCO ₂ e	1 tCO ₂ e	Based on UK business mileage claimed using DEFRA 2021 conversion factors
Total gross CO ₂ e based on above	28 tCO ₂ e	29 tCO ₂ e	
Intensity ratio 1: tCO ₂ e	2.00 tCO ₂ e per £1m revenue	1.42 tCO ₂ e per £1m revenue	Based on revenue of Reed & Mackay Travel Ltd
Intensity ratio 2: tCO ₂ e	0.14 tCO ₂ e per employee	0.12 tCO ₂ e per employee	Based on number of Reed & Mackay Travel Ltd staff

Energy consumption increased by 64% in 2021-22 compared to the previous year and our CO₂ emissions have increased by 26%. This is due to offices re-opening and business travel returning following the relaxation of Covid-19 restrictions. Despite this, our intensity ratios have decreased due to a 46% increase in revenue and 22% increase in employees compared to 2020-21.

The energy consumption and emissions for Reed & Mackay's Head Office in London includes consumption and emissions produced by a small number of employees from our parent company, TripActions, who also reside at the site. While occupancy is under 10% of total employees at Head Office, it is not considered to be a significant factor in our energy consumption or CO₂ emissions. However, the significance will be monitored going forward.

In the last year, a SMART meter has been installed in our Head Office in London, which will enable us to monitor our energy usage in real-time and identify trends and potential areas for improvement. Our Head Office Building Management company are also making plans to improve the regulation of temperature on all floors, which will improve energy efficiency.

This period, we produced our first Sustainability & Responsible Business Report, which is published on our website. The report provides an overview of how we responsibly manage significant environmental aspects (including energy), procurement processes, governance processes and our client sustainability expectations. The report also includes our annual Scope 1, 2 and 3 emissions, and our sustainability goals and targets.

In 2021, we set a target to reduce our CO₂ emissions / FTE by 50% by 2035, as measured against a 2019 baseline. Last year, Reed & Mackay appointed a Head of Sustainability and Sustainability Manager to help develop the strategy to meet this target. We are currently researching third-party carbon management tools to assist us with global CO₂ data collection and identification of reduction opportunities.

Reed & Mackay Holdings Limited

Directors' report for the period ended 31 January 2022 (*continued*)

Streamlined Energy and Carbon Reporting ('SECR') (*continued*)

From December 2021 to February 2022, we completed our second 'Ecovadis' Sustainability Assessment. The assessment was submitted on the 9 February 2022 and we are delighted to have been awarded a Gold certification.

We continue to develop innovative solutions to assist our clients in meeting their sustainability targets. As part of our Advisory service, clients can reach out to Reed & Mackay about developing bespoke CO2 emissions dashboards to suit their requirements. Reed & Mackay's travel booking tools have been updated to display Eco-Certified hotels and CO2 emissions at point-of-sale. In 2021, a global partnership was announced between Reed & Mackay and Neste, the world's leading sustainable aviation fuel (SAF) producer, making SAF fuel purchase available to all our clients.

Matters covered in the strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1-5. These matters relate to the principal activity, financial risk management objectives and policies, exposure to certain risks, future developments in the business and post balance sheet events.

Political contributions

There were no political donations for the period (2021: £nil) and the group did not incur any political expenditure.

Research and development activities

The group continues to invest in research and development, particularly in relation to its travel management software applications. The directors recognise that continued investment in research and development is essential to the long-term success and growth of the business.

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On 24 January 2022, BDO LLP resigned as the company auditor. Deloitte LLP were appointed to fill the resulting vacancy. Deloitte LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approval

This directors' report was approved by order of the Board on 27 October 2022.


F A Stratford
Director

Reed & Mackay Holdings Limited

Directors' responsibilities statement for the period ended 31 January 2022

The directors are responsible for preparing the annual 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable Law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group 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.

Reed & Mackay Holdings Limited

Independent auditor's report

Independent auditor's report to the members of Reed & Mackay Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Reed & Mackay Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2022 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Reed & Mackay Holdings Limited

Independent auditor's report (*continued*)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 auditor's report.

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

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

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's operating licence for regulators, GDPR and employment law.

Reed & Mackay Holdings Limited

Independent auditor's report (*continued*)

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Revenue recognition: we identified a significant risk in relation to the occurrence of revenue from transaction fees and marketing income. In response to this risk we have understood the nature of the revenue and associated processes and controls, and performed focused detailed testing on revenue transactions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management's external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

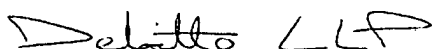
We have nothing to report in respect of these matters.

Reed & Mackay Holdings Limited

Independent auditor's report (*continued*)

Use of our report

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

Handwritten signature of James Brass in black ink, followed by the text "Deloitte LLP".

James Brass, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK

Date: 27 October 2022

Reed & Mackay Holdings Limited

Consolidated statement of comprehensive income for the period ended 31 January 2022

	Note	Continuing operations	Discontinued operations	Total	Year ended 31 March 2021
		10-month period ended 31 January 2022			
		£'000	£'000	£'000	£'000
Turnover	3	24,657	1,851	26,508	18,551
Administrative expenses	4	(39,121)	(1,778)	(40,899)	(50,506)
Other income	5	1,481	378	1,859	10,160
Operating (loss)/profit	6	(12,983)	451	(12,532)	(21,795)
Interest received and similar income	9	1	-	1	15
Interest payable and similar charges	10	(162)	-	(162)	(1,612)
Gain on disposal of discontinued operations	11	-	4,834	4,834	-
(Loss)/profit on ordinary activities before taxation		(13,144)	5,285	(7,859)	(23,392)
Taxation on (loss)/profit from ordinary activities	12	1,247	(2)	1,245	1,365
(Loss)/profit for the period		(11,897)	5,283	(6,614)	(22,027)
Other comprehensive (loss)/gain:					
Exchange profit on retranslation of foreign operations				(53)	63
Other comprehensive (loss)/gain for the period				(53)	63
Total comprehensive (loss) for the period				(6,667)	(21,964)

There were no discontinued operations in the year ended 31 March 2021.

The notes on pages 21 to 44 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated balance sheet at 31 January 2022

Company number 05577881	Note	31 January 2022 £'000	31 March 2021 £'000
Fixed assets			
Intangible assets	13	44,252	52,064
Tangible assets	14	701	1,198
Investments	15	-	101
		<u>44,953</u>	<u>53,363</u>
Current assets			
Debtors	16	64,510	33,121
Cash at bank and in hand		<u>15,852</u>	<u>27,677</u>
		80,362	60,798
Creditors: amounts falling due within one year	17	<u>(83,331)</u>	<u>(65,461)</u>
Net current (liabilities)		<u>(2,969)</u>	<u>(4,663)</u>
Total assets less current liabilities		41,984	48,700
Creditors: amounts falling due more than one year	18	-	(536)
Provision for liabilities	20	<u>(4,975)</u>	<u>(4,488)</u>
Net assets		<u>37,009</u>	<u>43,676</u>
Capital and reserves			
Called up share capital	22	244	244
Share premium account		996	996
Profit and loss account		35,769	42,436
Shareholders' funds		<u>37,009</u>	<u>43,676</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 October 2022.

F A Stratford
Director



The notes on pages 21 to 44 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated statement of changes in equity for the 10 months period ended in 31 January 2022

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2020	244	996	64,400	65,640
Comprehensive expense for the year	-	-	(22,027)	(22,027)
Loss for the year	-	-	(22,027)	(22,027)
Currency translation differences	-	-	63	63
Total comprehensive expense for the year	-	-	(21,964)	(21,964)
At 31 March 2021	244	996	42,436	43,676
	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2021	244	996	42,436	43,676
Comprehensive expense for the period	-	-	(6,614)	(6,614)
Loss for the period	-	-	(6,614)	(6,614)
Currency translation differences	-	-	(53)	(53)
Total comprehensive expense for the period	-	-	(6,667)	(6,667)
At 31 January 2022	244	996	35,769	37,009

The notes on pages 21 to 44 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated statement of cash flows for the period ended 31 January 2022

	Note	2022 £'000	Restated 2021 £'000
Cash flows from operating activities			
(Loss) for the financial period/year		(6,614)	(22,027)
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets		9,360	6,830
Net interest payable		161	1,597
Taxation (credit)	12	(1,245)	(1,365)
(Increase) / Decrease in trade and other debtors		(19,491)	21,902
Increase / (Decrease) in trade and other creditors		5,043	(7,846)
Profit from sale of investment in subsidiary		(4,834)	-
Loss on sale of tangible fixed assets		168	-
Increase in provisions		(213)	-
Foreign exchange		-	(25)
Cash from operations		(17,665)	(934)
Taxation received		1,078	997
Net cash (used in)/generated from operating activities		(16,587)	63
Cash flows from investing activities			
Bank interest received		1	15
Purchases of intangible assets	13	(732)	(884)
Purchases of tangible fixed assets	14	(412)	(136)
Purchase of subsidiary undertaking		(44)	-
Cash disposed from sale of subsidiary undertaking		(108)	-
Net cash acquired from purchase of subsidiary undertaking		422	-
Net cash used in investing activities		(873)	(1,005)
Cash flows from financing activities			
New bank loan		589	708
Interest paid		(15)	-
Proceeds received from group undertakings		11,453	9,013
Repayment of amounts to group undertakings		(6,392)	(4,607)
Net cash used in financing activities		5,635	5,114
Net (decrease) / increase in cash and cash equivalents		(11,825)	4,172
Cash and cash equivalents at beginning of period/year		27,677	23,717
Foreign exchange (losses)		-	(212)
Cash and cash equivalents at end of period/year		15,852	27,677
Cash and cash equivalents comprise:			
Cash at bank and in hand		15,852	27,677

The notes on pages 21 to 44 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated statement of cash flows for the period ended 31 January 2022

Prior year restatement

A presentation error was identified in relation to amounts owing to group undertakings. The prior year cashflows of £4,444k in respect of amounts owing by group undertakings have been reclassified from investing activities to financing activities and re-presented as proceeds received from Group of £9,013k and repayment of amounts to Group of £4,569k.

Reed & Mackay Holdings Limited

Company balance sheet at 31 January 2022

	Note	Period ended 31 January 2022 £'000	Year ended 31 March 2021 £'000
Fixed assets			
Investments	15	80,612	76,650
Current assets			
Debtors	16	4,763	409
Cash at bank and in hand		5	5
		<u>4,768</u>	<u>414</u>
Creditors: amounts falling due within one year	17	<u>(50,376)</u>	<u>(58,015)</u>
Net current liabilities		(45,608)	(57,601)
Creditors: amounts falling due more than one year	18	<u>-</u>	<u>-</u>
Net assets		35,004	19,049
Capital and reserves			
Called up share capital	22	244	244
Share premium account		996	996
Profit and loss account		<u>33,764</u>	<u>17,809</u>
Shareholders' funds		35,004	19,049

The profit for the period for the company is £15,955,000 (2021 – loss of £2,401,000).

The financial statements were approved by the Board of Directors and authorised for issue on 27 October 2022.

F A Stratford
Director



The notes on pages 21 to 44 form part of these financial statements.

Reed & Mackay Holdings Limited

Company statement of changes in equity for the period ended 31 January 2022

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2020	244	996	20,210	21,450
Comprehensive expense for the year	-	-	(2,401)	(2,401)
Total comprehensive expense for the year	-	-	(2,401)	(2,401)
At 31 March 2021	244	996	17,809	19,049
At 1 April 2021	244	996	17,809	19,049
Comprehensive income for the period	-	-	15,955	15,955
Total comprehensive income for the period	-	-	15,955	15,955
At 31 January 2022	244	996	33,764	35,004

The notes on pages 21 to 44 form part of these financial statements.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the period ended 31 January 2022

1 Accounting policies

Reed & Mackay Holdings Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared under the historical cost convention in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Further information is provided in note 2.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Reporting period

In the prior year the financial statements were prepared for the year from 01 April 2020 to 31 March 2021. Following the acquisition of the company by TripActions Inc., the reporting date has been shortened to 31 January 2022 to align with its holding company's reporting date. The current period financial statements are for the period from 01 April 2021 to 31 January 2022, such comparatives included are not comparable.

Going concern

The Group is reliant on the funding and liquidity of TripActions Inc, its ultimate controlling party. TripActions have pledged its continuing support and not to call its intercompany debt for repayment for a minimum of 12 months from the date of approval of these financial statements.

The directors of the Group have considered the cash flow projections of the Company and those of the Group. These cash flow projections indicate that the Company and Group have sufficient funds to meet its liabilities as they fall due and as such the Directors consider it appropriate to prepare the accounts on a going concern basis.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the period ended 31 January 2022 (*continued*)

1 Accounting policies (*continued*)

Going concern (continued)

The COVID-19 crisis has caused massive disruption to all aspects of life and significantly affected the travel industry globally. The directors have considered the impact on the group's revenue streams, operational and administrative costs and liquidity. As noted above, the group has experienced a significant decline in revenue since February 2020 and has taken measures to control costs through a combination of removing all discretionary spend, reduced staff numbers and utilisation of government schemes where these apply. The group has prepared forecasts and modelled the combined effects of the decline in revenue and costs reduction based on various scenarios relating to the probable timing and pace of recovery in corporate travel. This detailed review has demonstrated that the group has sufficient liquidity to meet its day to day working capital requirements from its cash reserves, including scenarios where there is a slow and gradual recovery in corporate travel.

Basis of consolidation

The consolidated financial statements present the results of Reed & Mackay Holdings Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquired business's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Turnover

Turnover consisted primarily of commission and fees earned on the sale of travel, hotel bookings and events, exclusive of value added tax.

Transaction fee income is recognised at the date the ticket is issued, amended or a refund is processed. Management fee and event management fees are recognised over the period to which the service relates. Marketing income and commissions are recognised over the term of the agreement on an accrual basis. As agent, the value of tickets and other travel costs are not recognised by the Group as turnover.

Government subsidies and grant income

Government subsidies and grant income is recognised when there is reasonable assurance that the conditions attached to the income will be met and that the income will be received. The income is recognised in profit or loss over the periods in which the Group incurs expenses for which the subsidies or grants are intended to compensate. In this financial period, under FRS102 reporting standards, the Group has included its income from the UK, France, Germany, United States, Canada, Singapore and Australia Government's Coronavirus grant scheme subsidies within other income.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the period ended 31 January 2022 (*continued*)

1 Accounting policies (*continued*)

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Income Statement over its useful economic life of 10 to 20 years.

The estimate of the useful economic life of goodwill is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Other intangible assets

Intangible assets are initially recognised at cost or fair value. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets relating to development costs are measured at cost or fair value less any accumulated amortisation and any accumulated impairment losses. Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Expenditure of research and development costs are written off to the income statement in the period that they are incurred.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation

Amortisation is provided to write off the cost, less estimated residual values, of all intangible fixed assets, evenly over their expected useful lives using the straight-line method. Expected useful lives have been determined by reference to contract lengths, likelihood of renewals and historic comparatives of similar assets. It is calculated at the following rates:

Brand, Customer relationships, Technology	-	2 to 20 years
Computer software	-	3 years

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	-	20% per annum straight line
Plant and machinery	-	25% per annum straight line
Fixtures, fittings and IT equipment	-	33% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the period ended 31 January 2022 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation (continued)

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets

All leases are classified as operating leases. Operating lease annual rentals are charged to the consolidated income statement on a straight-line basis over the term of the lease.

Rent free periods or other lease incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the consolidated income statement in the period in which they become payable. Amounts not paid are shown in creditors as a liability in the consolidated balance sheet.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty or notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant change in value.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

1 Accounting policies (*continued*)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to the profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Income Statement in the period that the group becomes aware of the obligation and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the consolidated balance sheet.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Borrowing costs

All borrowing costs are recognised in profit and loss using the effective interest rate method.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the group's presentation currency.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the period ended 31 January 2022 (*continued*)

1 Accounting policies (*continued*)

Foreign currency translation (continued)

(a) Functional and presentation currency (continued)

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether provisions are required as a result of obligations arising from past events. An assessment is made as to whether it is probable that there will be an outflow of economic benefits in settlement and whether the amount of the obligation can be measured reliably.
- Determine whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment on whether the risks and rewards of ownership have been transferred to the group on a lease by lease basis.
- Determine whether there are indications of impairment of the group's tangible and intangible assets, including goodwill, Investments and Intercompany debts. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Intangible fixed assets (see note 13)*

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as future cashflows, changes in business models are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Impairment of goodwill, other intangible and tangible assets and investments*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset may be impaired, the carrying value of the assets (or cash generating unit ('CGU') to which the asset has been allocated) is tested for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. To determine the fair value, valuations were undertaken based on estimates and assumptions about the future cash flows of each CGU, discounted to present value at the reporting date, using discount factors determined based on the weighted average cost of capital appropriate to that CGU.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Other key sources of estimation uncertainty (continued)

- *Impairment of goodwill, other intangible and tangible assets and investments*

During the financial period, an impairment of £3,370k was recognised in respect of customer relationships.

The future cash flow estimates were based on projected future performance of the CGU taking into consideration the risks associated with Covid-19 known at the reporting date, having reference to independent 3rd party industry analysis, in particular in respect of the expected return to travel under Covid-19. As at 31 January 2022, the carrying value of the CGU (after factoring the impairment charge) is greater than the NBV of the associated intangibles recorded in the accounts and therefore no further impairment has been recognised.

- *Intercompany debt*

Recoverability of intercompany debt has been assessed and is deemed recoverable based individual trading, cashflow forecasts and funding support from TripActions Inc.

- *Taxation and deferred tax*

The likelihood of any timing differences on tax balances reversing is assessed each year when calculating the deferred tax balances. This takes into account forecast taxable income in each region and any changes in tax legislation.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

3 Turnover

Turnover is wholly attributable to the principal activity of the group and arises within the United Kingdom, the United States of America, Canada, United Arab Emirates, France, Australia, India, Singapore and New Zealand.

Analysis of turnover by country of service provided:

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
United Kingdom	20,152	13,960
France	3,240	3,025
United States of America	1,850	667
Australia	561	323
United Arab Emirates	503	249
Other	202	327
	<u>26,508</u>	<u>18,551</u>

4 Administrative Expenses

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
COGS	11,199	18,839
General & Administration	22,803	22,420
Research & Development	4,126	5,674
Sales & Marketing	2,771	3,573
	<u>40,899</u>	<u>50,506</u>

Administrative expenses have been analysed and split out based on the nature of the expense and the employee headcount in relation to the department.

5 Other Income

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
Coronavirus Job Retention Scheme	1,782	10,160
RDEC tax credit	77	-
	<u>1,859</u>	<u>10,160</u>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (continued)

6 Group operating (loss)/profit

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	746	1,178
Amortisation of intangible assets	4,845	5,652
Impairment of intangible assets	3,370	-
Hire of plant and machinery - operating leases	92	168
Hire of other assets - operating leases	1,049	2,308
Fees payable to the company's auditor for the audit of the group and company financial statements	10	8
Fees payable to the company's auditor for other services:		
- the audit of the company's subsidiaries	100	123
- tax compliance services	-	24
- other assurance services	-	-
Exchange differences	(62)	(25)

7 Employees

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
Staff costs (including directors) consist of:		
Wages and salaries	18,862	25,915
Social security costs	1,578	2,758
Other pension costs	571	552
	21,011	29,225

Staff costs of £732,000 (2021 - £884,000) were capitalised in software development within intangible assets (note 13) in the period.

The average monthly number of employees (including directors) during the period was as follows:

	Group Period ended 31 January 2022 Number	Group Year ended 31 March 2021 Number
Travel consultants and managers	396	472
Sales	13	31
Office and management	142	237
	551	740

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the period ended 31 January 2022 (continued)

7 Employees (continued)

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions of £196,000 (2021 - £121,000) were payable to the fund at the end of the financial period and are included in creditors.

The company had no employees other than the directors (2021 – nil).

8 Directors' remuneration

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
Directors' emoluments	462	786
Company contributions to money purchase pension schemes	15	25
	<u>477</u>	<u>811</u>

There were 3 directors in the Group's defined contribution pension scheme during the period (2021 - 2).

The total amount payable to the highest paid director in respect of emoluments was £260,000 (2021 - £235,000). No pension contributions were made to a money purchase scheme on their behalf (2021 - £nil).

None of the directors received any emoluments from the company (2021 - £nil). Key management remuneration is borne by subsidiary undertakings. Certain directors of the company are also directors of Reed & Mackay Travel Limited. The directors do not believe it is practical to apportion this amount for their services as directors of the company and their services as directors of other group companies and as such, their emoluments are disclosed as a whole in the accounts of Reed & Mackay Travel Limited.

9 Interest received and similar income

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
Bank deposits	1	15
	<u>1</u>	<u>15</u>

10 Interest payable and similar charges

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
Interest payable to parent undertaking	146	1,612
Interest paid on overdue tax	16	-
	<u>162</u>	<u>1,612</u>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

11 Sale of subsidiary undertaking

On 31 January 2022, the group sold its 100% interest in the ordinary share capital of Reed & Mackay Travel Inc. The profit of Reed & Mackay Travel Inc up to date of disposal was £449,000.

Net (liabilities) disposed of and related sales proceeds were as follows

	£'000
Fixed assets	69
Current assets	1,051
Creditors	(1,634)
	<hr/>
	(514)
Related goodwill	196
	<hr/>
Net (liabilities)	(318)
	<hr/>
Profit on sale	4,834
Sale proceeds	4,516
	<hr/>
<i>Satisfied by:</i>	
Issue of promissory note from TripActions Inc.	4,516
	<hr/>

The promissory note is repayable on demand and attracts interest at a rate of 0.59% per annum. The profit on sale is included in the results of discontinued operations.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

12 Taxation on profit from ordinary activities

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
<i>UK corporation tax</i>		
Current tax on (loss) for the period	(443)	(1,190)
Adjustment in respect of previous periods	(18)	149
	<hr/>	<hr/>
	(461)	(1,041)
<i>Foreign tax</i>		
Current tax on profits of the period	(234)	17
	<hr/>	<hr/>
Total current tax (credit) / charge	(695)	(1,024)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,033)	(448)
Adjustments in respect of prior periods	(617)	107
Effect of rate change on opening balance	1,100	-
	<hr/>	<hr/>
Taxation on (loss) on ordinary activities	(1,245)	(1,365)
	<hr/>	<hr/>

The tax assessed for the year is lower than (2021 – higher than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Group Period ended 31 January 2022 £'000	Group Year ended 31 March 2021 £'000
Loss on ordinary activities before tax	(7,859)	(23,392)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	(1,493)	(4,444)
Effects of:		
Fixed assets differences	5	153
Expenses not deductible for tax purposes	1,254	760
Losses carried back	-	919
Adjustment to tax charge in respect of previous periods	(18)	258
Income not deductible for tax purposes	(1,113)	-
Effect of foreign tax rate	(598)	102
Effect of change in tax rate	909	-
Deferred tax not recognized	436	804
Group Relief	(13)	(45)
Additional deduction for research and development	3	21
Adjustment to tax charge in respect of previous periods – deferred tax	(617)	107
	<hr/>	<hr/>
Current tax (credit) for period	(1,245)	(1,365)
	<hr/>	<hr/>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

12 Taxation on profit from ordinary activities (continued)

Factors affecting future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. It was substantively enacted on 24 May 2021 and so the deferred tax rate applicable at 31 January 2022 was 25%.

13 Intangible fixed assets

Group	Customer relationships £'000	Brand £'000	Technology £'000	Goodwill on consolidation £'000	Software development £'000	Total £'000
<i>Cost or valuation</i>						
At 1 April 2021	21,985	1,203	1,803	48,801	4,811	78,603
Additions	40	-	10	262	732	1,044
Disposal	(124)	-	-	(249)	-	(373)
Impairment	(3,370)	-	-	-	-	(3,370)
Reclassification	127	(1)	(1)	(611)	853	367
Exchange adjustments	(12)	(4)	(2)	(43)	-	(61)
At 31 January 2022	18,646	1,198	1,810	48,160	6,396	76,210
<i>Amortisation</i>						
At 1 April 2021	4,136	859	926	17,270	3,348	26,539
Provision for the period	1,249	170	361	2,439	626	4,845
Disposal	(124)	-	-	(59)	-	(183)
Transfers	-	-	-	-	-	-
Reclassification	122	12	114	100	423	771
Exchange adjustments	(2)	(1)	(1)	(10)	-	(14)
At 31 January 2022	5,381	1,040	1,400	19,740	4,397	31,958
<i>Net book value</i>						
At 31 January 2022	13,265	158	410	28,420	1,999	44,252
At 31 March 2021	17,849	344	877	31,531	1,463	52,064

At 31 January 2022, the company had no intangible assets (2021 – £Nil). Amortisation is charged within administrative expenses within the consolidated statement of comprehensive income.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

14 Tangible fixed assets

Group	Leasehold improvements £'000	Plant and machinery £'000	Fixtures, fittings and IT equipment £'000	Total £'000
<i>Cost</i>				
At 1 April 2021	709	1,012	5,052	6,773
Additions	7	14	397	418
Disposal	-	(75)	(31)	(106)
Reclassification	579	631	(44)	1,166
Exchange adjustments	(17)	(45)	(13)	(75)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2022	1,278	1,537	5,361	8,176
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2021	478	839	4,258	5,575
Provided for the period	77	48	619	744
Depreciation on disposal	-	(41)	(12)	(53)
Reclassification	586	671	24	1,281
Exchange adjustments	(17)	(44)	(11)	(72)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2022	1,124	1,473	4,878	7,475
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 January 2022	154	64	483	701
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2021	231	173	794	1,198
	<hr/>	<hr/>	<hr/>	<hr/>

At 31 January 2022 the company had no tangible fixed assets (2021 - £nil).

15 Investments

Group	£'000
<i>Cost</i>	
At 1 April 2021	101
Disposal	(101)
	<hr/>
At 31 January 2022	-
	<hr/>
Company	£'000
<i>Cost</i>	
At 1 April 2021	76,650
Additions	3,962
	<hr/>
At 31 January 2022	80,612
	<hr/>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (continued)

15 Investments (continued)

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business	Registered Address
Reed & Mackay Travel Limited	England and Wales	Ordinary	100%	Corporate travel agent	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
i-Q Travel Solutions Limited**	England and Wales	Ordinary	100%	Dormant	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Reed & Mackay (EBT) Limited**	England and Wales	Ordinary	100%	Dormant	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Reed & Mackay Travel Management Services FZE	UAE	Ordinary	100%	Corporate travel Agent	Office E5-505 Dubai Silicon Oasis HQ Building Dubai
Reisebüro Moll GmbH	Germany	Ordinary	100%	Corporate travel agent	Robert-Bosch- Strasse 32, 63303 Dreieich, Germany
Frequent Flyer Travel Paris SAS	France	Ordinary	100%	Corporate travel agent	63 bis, Avenue Ledru-Rollin 75012, Paris, France
Reed & Mackay Travel Singapore Pte Limited	Singapore	Ordinary	100%	Corporate travel agent	600 North Bridge Road, #23-01, Parkview Square, Singapore 188778
Reed & Mackay Travel Australia Pty Limited	Australia	Ordinary	100%	Corporate travel agent	Level 11, 1 Margaret Street, Sydney, NSW 2000, Australia

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (continued)

15 Investments (continued)

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business	Registered Address
Reed & Mackay Partnership International (Holdings) Limited**	England and Wales	Limited by guarantee	100%	Holding company	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Reed & Mackay Canada Inc	Canada	Ordinary	100%	Corporate travel agent	c/o BDO Law LLP 600- 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada
Reed & Mackay Partnership International Limited**	England and Wales	Ordinary	100%	Global travel service provider	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Hillgate Holdings Limited	England and Wales	Ordinary	100%	Corporate travel agent	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Dechaltach Holdings Limited**	England and Wales	Ordinary	100%	Corporate travel agent	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Hillgate Incentives Limited*	England and Wales	Ordinary	100%	Corporate travel agent	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Hillgate Travel Limited**	England and Wales	Ordinary	100%	Corporate travel agent	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Concierge Travel Group Pty Ltd*	Australia	Ordinary	100%	Corporate travel agent	332 Kent Street, Sydney, NSW 2000, Australia
Haram Pty Ltd*	Australia	Ordinary	100%	Corporate travel agent	332 Kent Street, Sydney, NSW 2000, Australia
Alquemie Travel Pty Limited*	Australia	Ordinary	100%	Corporate travel agent	332 Kent Street, Sydney, NSW 2000, Australia
Concierge Travel Group Limited*	New Zealand	Ordinary	100%	Corporate travel agent	Level 4, Zurich House, 21 Queen Street, 21 Queen Street, Auckland Central 1010, New Zealand
Business Travel Direct (International) Limited**	England and Wales	Ordinary	100%	Dormant	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Business Travel Direct Limited**	England and Wales	Ordinary	100%	Dormant	Nexus Place, 25 Farringdon Street, London, EC4A 4AF
Reed & Mackay Travel Netherlands B.V.	Netherlands	Ordinary	100%	Corporate travel agent	Barbara Strozzi laan, 201 1083 HN Amsterdam

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (continued)

15 Investments (continued)

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business	Registered Address
Reed & Mackay Travel India Private Limited	India	Ordinary	100%	Corporate Travel Agent	414, 4 th Floor, D-21, Corporate Park, Sector- 21, Dwarka, South Delhi-110077

*held indirectly

**in liquidation

During the period, the company acquired the remaining 51% shareholding in Reisebüro Moll GmbH which it now considers to be a subsidiary undertaking. Further information on the acquisition is detailed in note 26.

On 31 January 2022, the company disposed of its investment in Reed & Mackay Travel Inc., a wholly owned subsidiary. Further information on the disposal is detailed in note 11.

During the period, the company settled intercompany debt through issuing capital injections into several of its subsidiary undertakings including:

- Reed & Mackay Travel Netherlands B.V.
- Reed & Mackay Travel Management Services FZE
- Reed & Mackay Travel Australia Pty Limited
- Reed & Mackay Travel Singapore Pte Limited

The settlement of this intercompany debt resulted in additions to investments of £3,590k.

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act:

- Hillgate Incentives Limited

16 Debtors

	Group 31 January 2022 £'000	Group 31 March 2021 £'000	Company 31 January 2022 £'000	Company 31 March 2021 £'000
Trade debtors	21,028	4,255	-	-
Amounts owed by Group undertakings	36,607	25,389	4,763	409
Other debtors	409	293	-	-
Prepayments and accrued income	4,004	1,349	-	-
Corporation tax	1,133	1,373	-	-
Deferred taxation (see note 21)	1,329	462	-	-
	64,510	33,121	4,763	409

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

16 Debtors (continued)

All amounts shown under debtors fall due for payment within one year except:

Group:

- Deferred tax asset recognised in respect of taxable losses brought forward and short-term timing differences and fixed asset timing differences £1,329,000 (2021 - £462,000).
- The impairment loss recognised in the Group profit or loss for the period in respect of bad and doubtful trade debtors was £nil (2021 - £nil). The impairment loss recognised in the company profit or loss for the period in respect of bad and doubtful trade debts was £nil (2021 - £nil).
- Amounts owed by group undertakings consists of unsecured, non-interest bearing loans payable on request. Group undertakings relate to fellow subsidiaries within the TripActions group.

17 Creditors: amounts falling due within one year

	Group 31 January 2022 £'000	Group 31 March 2021 £'000	Company 31 January 2022 £'000	Company 31 March 2021 £'000
Bank loans	1,300	711	-	-
Trade creditors	19,150	12,317	-	216
Amounts owed to Group undertakings	52,992	41,956	50,363	57,786
Other taxation and social security	898	715	-	-
Other creditors	3,073	403	-	-
Accruals and deferred income	5,918	9,359	13	13
	83,331	65,461	50,376	58,015

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. Group undertakings relate to fellow subsidiaries within the TripActions group.

Due to the continued impact of Covid-19, Trade creditors includes amounts due to customers in respect of refunds.

Bank loans of £1,300,000 attracts a fixed interest rate of 0.25% and are repayable on demand.

18 Creditors: amounts falling due more than one year

	Group 31 January 2022 £'000	Group 31 March 2021 £'000	Company 31 January 2022 £'000	Company 31 March 2021 £'000
Other creditors	-	536	-	-

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

19 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 31 January 2022 £'000	Group 31 March 2021 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	76,821	58,311
Financial liabilities		
Financial liabilities measured at amortised cost	81,517	62,627

The group's income, expense, gains and losses in respect of financial instruments are summarised below

	Group 31 January 2022 £'000	Group 31 March 2021 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	1	15
Total interest expense for financial liabilities at amortised cost	162	1,612

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, accrued income and amounts owed by group undertakings and approximates the fair value of the financial assets.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

Information regarding the Group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the group strategic report.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

20 Provisions

Group	Deferred tax £'000	TOMS Provision £'000	Dilapidations Provision £'000	Total £'000
At 1 April 2021	3,985	-	503	4,488
Movement in deferred tax	-	-	-	-
Provision	108	275	104	487
At 31 January 2022	<u>4,093</u>	<u>275</u>	<u>607</u>	<u>4,975</u>

The deferred tax provision relates to deferred tax on intangible assets arising on business combinations. The dilapidations provision relates to the requirements under the terms of the operating lease for business premises.

Upon the UK leaving the EU, there is uncertainty around the scope of products and services that fall within the scope of the TOMS ('Tour Operating Margin Scheme') travel service scheme. A provision has been made based on the products and services that are considered to fall within this framework.

At 31 January 2022, the company had no provisions (2021 – £nil).

21 Deferred taxation

Deferred tax assets - Group

	31 January 2022 £'000	31 March 2021 £'000
Origination and reversal of timing differences	<u>1,329</u>	<u>462</u>

The Group has unused tax losses of £4,957,000 (2021 - £9,529,000).

22 Share capital

	2022 Number	Allotted, called up and fully paid 2021 Number	2022 £	2021 £
Ordinary and A ordinary shares of £0.01 each	24,350,000	24,350,000	243,500	243,500
B ordinary shares of £0.01 each	21,916	21,916	219	219
	<u>24,371,916</u>	<u>24,371,916</u>	<u>243,719</u>	<u>243,719</u>

The A ordinary and B ordinary shares are ranked pari passu in all respects as if they constitute a single class of shares.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

23 Contingent liabilities

Up to the acquisition date of 30 April 2021, the group had guaranteed bank borrowings of Monaco Bidco Limited, a fellow group company. At the period end the liabilities covered by these guarantees totalled £nil (2021 - £95,571,844). These borrowings have been fully settled by TripActions Inc following the acquisition of the Reed & Mackay group during the period.

24 Commitments under operating leases

The Group had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2022 £'000	Other 2022 £'000	Land and buildings 2021 £'000	Other 2021 £'000
Not later than 1 year	1,783	42	1,710	91
Later than 1 year and not later than 5 years	1,452	1	2,590	3
Later than 5 years	113	-	-	-
	<u>3,348</u>	<u>43</u>	<u>4,300</u>	<u>94</u>

The company had no commitments under non-cancellable operating leases as at the reporting date (2021 - £nil).

25 Related party disclosures

Controlling parties

The company is a wholly owned subsidiary of TripActions Inc. and has taken advantage of the exemption conferred by FRS 102 Summary – Section 33 – Related Party Disclosures not to disclose transactions with its wholly owned subsidiaries.

The ultimate controlling party as of 31 January 2022 is TripActions Inc. The smallest and largest Group of undertakings for which Group accounts are drawn up is TripActions Inc, a company incorporated in the United States of America whose address is 1209 Orange St., Wilmington DE 19801.

Key management and personnel

The key management and personnel of the company are the directors. Details of the remuneration of the directors is given in note 8.

Sale of Reed & Mackay Travel Inc

On 31 January 2022, the company sold its 100% holding in Reed & Mackay Travel Inc for a total consideration of £4,516k to TripActions Inc, the company's parent undertaking as part of a group reorganisation. This was settled through a promissory note being issued by TripActions Inc to the company.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (*continued*)

26 Business combination

On 15 December 2021, the Group acquired the remaining 51% shareholding in Reisebüro Moll GmbH for £43,000.

In calculating the goodwill arising on acquisition, the fair value of net assets has been assessed and adjustments from book value have been made where necessary.

	Book value £'000	Adjustments £'000	Fair value £'000
Tangible fixed assets	6	-	6
<i>Intangible assets</i>			
- Brand	-	-	-
- Customer relationships	-	40	40
- Technology	-	10	10
<i>Current assets</i>			
Debtors	345	-	345
Cash at bank and in hand	422	-	422
Total assets	773	50	823
Creditors: Amounts due within one year	(942)	-	(942)
Net assets/(liabilities)	(169)	50	(119)
Goodwill			262
Total purchase consideration (including expenses of £58k)			143
Net purchase consideration settled in cash			143
Total consideration			143

Since the acquisition date to 31 January 2022, revenues were £36,000 and the profit during the period was £1,000.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the period ended 31 January 2022 (continued)

27 Net debt reconciliation

Group – 31 January 2022	1 April 2021 £'000	Cash flows £'000	Acquisitions and disposals £'000	Other non- cash changes £'000	31 January 2022 £'000
Cash at bank and in hand	27,677	(12,139)	314	-	15,852
Amounts owed to group undertakings	(41,956)	(11,147)	258	(147)	(52,992)
Bank loans due within one year	(711)	(589)	-	-	(1,300)
	<u>(14,990)</u>	<u>(23,875)</u>	<u>572</u>	<u>(147)</u>	<u>(38,440)</u>
Group – 31 March 2021	1 April 2020 £'000	Cash flows £'000	Acquisitions and disposals £'000	Other non- cash changes £'000	31 March 2021 £'000
Cash at bank and in hand	23,717	4,172	-	(212)	27,677
Amounts owed to group undertakings	(40,382)	38	-	(1,612)	(41,956)
Bank loans due within one year	-	(711)	-	-	(711)
	<u>(16,665)</u>	<u>3,499</u>	<u>-</u>	<u>(1,824)</u>	<u>(14,990)</u>

Non-cash movements in net debt relate to:

- Accrued interest on amounts owed to group undertakings
- Foreign exchange differences

Cash and cash equivalents include restricted cash of £nil (2021 - £nil). Group undertakings relate to fellow subsidiaries within the TripActions group.

28 Post Balance Sheet Event

Subsequent to the year end the Group undertook a group reorganisation whereby a number of its fellow group companies were placed into liquidation to simplify the group structure. The liquidation of these entities resulted in the net settlement amounting to £10,752k of intercompany balances through a £20,941k capital contribution provided by the ultimate parent company, TripActions Inc.