

Reed & Mackay Holdings Limited

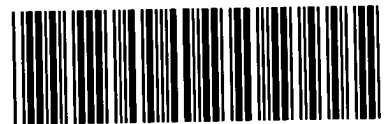
Annual report and financial statements

Year Ended

31 January 2023

Company Number 05577881

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Reed & Mackay Holdings Limited

Report and financial statements for the year ended 31 January 2023

Contents

Page:

1	Strategic report
6	Directors' report
9	Directors' responsibilities statement
10	Independent auditor's report
13	Consolidated statement of comprehensive income
14	Consolidated balance sheet
15	Consolidated statement of changes in equity
16	Consolidated statement of cash flows
17	Company balance sheet
18	Company statement of changes in equity
19	Notes forming part of the financial statements

Directors

R Bartov
G Bennett
F A Stratford
T Tuchscherer (resigned 15 June 2023)

Secretary and registered office

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

Company number

05577881

Auditor

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

Reed & Mackay Holdings Limited

Strategic report for the year ended 31 January 2023

The directors present the Group strategic report together with the audited financial statements for the year ended 31 January 2023. The comparative period covers the 10 months ended 31 January 2022.

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 year under review.

Business review

Despite the challenges faced by the company from the Covid-19 pandemic, the directors are pleased with the return to near normal trading levels in the current financial year. The pandemic caused a period of uncertainty for the travel industry which made it difficult for the company to plan and forecast for the future. However, by remaining agile and adaptable, the company was able to navigate this period of uncertainty and emerge stronger on the other side.

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.

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.

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.

The Reed & Mackay Group continues to have a presence in the UK, France, Germany, Netherlands, Canada, Dubai, Singapore, Australia, New Zealand and India. The acquisition of the Group by TripActions Inc. on 30 April 2021, has aided our expansion and worldwide presence. The Group expanded its presence to Spain during the year through the acquisition of Atlanta Agencia De Viajes, S.A. (see note 24). The directors are proactively looking at tactical future acquisitions to further the Group's global coverage.

Reed & Mackay Holdings Limited

Strategic report (continued) for the year ended 31 January 2023

Future developments (continued)

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:

	Year ended 31 January 2023	10-month period ended 31 January 2022	Difference
	£'000	£'000	%
Turnover	69,743	26,508	163
Operating (Loss)	(945)	(12,532)	92
Profit/(loss) after tax	1,311	(6,614)	120
Average number of employees	887	551	61

Review of financial performance

The Group's total profit after tax for the year was £1.3m (2022: loss £6.6m) and operating loss amounted to £0.9m (2022: loss £12.5m). The Group's decrease in operating loss across the reporting periods is mainly attributable to an increase in revenue due to trading activity returning to pre-Covid19 levels across the global travel industry.

The average number of employees has risen year on year, with R&M continuing 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 year-end of £71.5m (2022: £37m) and cash and cash equivalents of £17.3m (2022: £15.9m). The Group's increase in net assets is primarily due to a substantial reduction in amounts owed to Group undertakings following the settlement of intercompany debt through capital contributions made by the parent company (see Note 21).

Going concern

The Group is reliant on the funding and liquidity of TripActions Inc, its ultimate controlling party. TripActions have pledged its continuing support for Reed & Mackay Holdings Limited.

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

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

Post Balance Sheet Events

The parent company, TripActions Inc. went through a rebranding process and formally changed its name to Navan Inc in February 2023.

Subsequent to the year end, the Company has paid deferred consideration of £1,201,000 in relation to the acquisition of Atlanta Agencia De Viajes, S.A. (see note 24).

The company secured additional credit facilities of £3,500,000, increasing the company's combined facilities to £13,500,000. The financial service providers for these facilities are authorised by the UK Financial Conduct Authority.

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:

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 year with a cash balance of £17.3m (2022: £15.9m).

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. To mitigate foreign exchange risk the Group focuses on receiving and making payments in local currencies where possible. The Group's approach to limiting exposure to and monitoring foreign exchange risk has not changed from the prior year.

Travel industry disruption

The Company's financial performance is reliant on the strength of both domestic and international travel industries. Unpredictable force majeure such as wars, pandemics and natural disasters have highly adverse effects on the travel industry and can rarely be mitigated. Disruption can also arise from economic conditions, such as recessions and rising inflation, and political environments which can result in varying levels of decrease in demand, additional costs to company's operating within the industry, and labour relations implications. To increase resilience against travel industry disruption exposure Reed & Mackay offers a diverse range of services, has a wide portfolio of customers, and has high exposure to essential travel clients.

Reed & Mackay Holdings Limited

Strategic report for the year ended 31 January 2023 (*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 between members of the company.

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 year ended 31 January 2023.

Decision-making at the Board

The Board consists of experienced 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 short-term and long-term 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.

Employees

The Directors consider its employees to be a primary stakeholder in the business and strive 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.

Reed & Mackay Holdings Limited

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

S172 Statement *(continued)*

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. The Company continues to prioritise sustainability in all activities and processes. After consideration of the environmental impacts, the Company can confirm there has been no change to any accounting policies.

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 26 July 2023 and signed on its behalf by:

F A Stratford
Director



Reed & Mackay Holdings Limited

Directors' report for the year ended 31 January 2023

The directors present their report together with the audited financial statements for the year ended 31 January 2023.

Results and dividends

The consolidated statement of comprehensive income is set out on page 13 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2022 - £Nil).

Directors

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

F A Stratford
R Bartov
G Bennett
T M Tuchscherer (resigned 15 June 2023)

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 year 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. Furthermore, as part of a blended employee engagement approach, the Group has developed several core e-learning programmes. Employees also attend regular business updates and an annual conference where, through interactive sessions, ideas around business development and industry innovation are shared.

The directors have engaged with employees in overseeing financial reporting processes. They review financial statements to ensure accuracy, transparency, and compliance with regulatory requirements. Directors engage with accounting teams to understand the financial information presented, ask questions, and provide feedback on financial reports.

The directors engage with employees as important stakeholders. They recognise that employees contribute to the company's success and have valuable insights. The directors establish communication channels, feedback mechanisms and employee surveys to gather employee perspectives on key decisions. This regard to employee interests helps the directors make informed decisions that take into account the potential effects on the workforce.

Engagement with suppliers, customers, and others

The directors have prioritised fair and transparent dealings, timely payments, and open communication with suppliers. The directors have encouraged customer centricity, responsiveness, and a focus on customer satisfaction. They have assessed potential synergies, evaluated market opportunities, and negotiated mutually beneficial agreements. This regard for business relationships has impacted decisions on market expansions, diversification, and creating new growth avenues and enhancing the company's competitive position.

Reed & Mackay Holdings Limited

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

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 successfully renewed its ISO14001 accreditation in September 2021 and we are required to undergo a re-certification audit every 3 years.

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.

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 year from 1 February 2022 to 31 January 2023.

Reporting Category	Previous period 1 st Apr 2021 – 31 st Jan 2022 (10-months)	Current year 1 st Feb 2022 – 31 st Jan 2023		Methodology
		12 months	10 months (pro-rated)	
Energy consumption: [Mwh]	133	204	170	Based on energy supplier bills
Emissions from combustion of fuel for transport purposes (Scope 1) [tCO ₂ e]	0.11	0.10	0.08	Based on UK business mileage claimed using DEFRA 2021 conversion factors
Emissions from purchased electricity (Scope 2, location- based) [tCO ₂ e]	28.15	39.4	32.8	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) [tCO ₂ e]	0.71	4.59	3.83	Based on UK business mileage claimed using DEFRA 2021 conversion factors
Total gross CO ₂ e based on above [tCO ₂ e]	28.97	44.09	36.7	
Intensity ratio 1: [tCO ₂ e per £1m revenue]	1.47	0.74	0.62	Based on revenue of Reed & Mackay Travel Ltd
Intensity ratio 2: [tCO ₂ e per employee]	0.12	0.11	0.09	Based on number of Reed & Mackay Travel Ltd staff

Energy consumption has increased by 27.8% in 2022-23. An increase was expected due to employee numbers increasing by 30.24% in the reporting year and the return to face-to-face meetings. In addition, in scope offices were closed for a period in 2021-22 due to COVID-19, whereas they remained open throughout the reporting year.

Emissions from business travel in employee-owned vehicles has increased by 438.73% during the year. An increase was expected, as all travel was kept to a minimum in the prior period due to COVID-19 travel restrictions. Despite the increase of energy consumption and emissions, our intensity ratios have decreased due to a 149.62% increase in revenue and an 8.53% increase in employee numbers (for in scope offices) compared to the prior period. Reed & Mackay received a 'Gold' medal for our second EcoVadis assessment with a score of 68. This puts us in the 94th percentile, meaning we scored higher or equal to 94% of all companies rated by EcoVadis. We published our first Sustainability & Responsible Business Report, which can be found on our website.

Reed & Mackay Holdings Limited

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

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

Reed & Mackay's ISO 14001 Environmental Management System was audited by our third-party ISO Auditor (Alcumus ISOQAR) and we retained our certification with no non-conformities. We submitted our first Carbon Disclosure Project (CDP) Report, which is a global initiative to encourage companies to measure and disclose their environmental impact. We were not scored in this first submission but will be scored in FY24 based on the activities and positions disclosed in our CDP response.

We committed to develop near-term and long-term company-wide emission reduction targets in line with the Science Based Targets initiative (SBTi), with the aim of developing a Net Zero strategy by the end of 2023-24. Our near-term targets are currently being developed. We onboarded a third-party carbon data management tool to assist with the collation of our global CO2 emissions data from 2019 to the present date, which will enable us to identify carbon reduction opportunities. We announced our Net Zero Carbon Events Pledge, committing to achieve net zero carbon emissions from our corporate events by 2030.

Reed & Mackay partnered with SQUAKE to enhance the sustainability data available to clients and make sustainable travel more accessible. SQUAKE is a platform that provides sustainability ratings for flights, hotels and ground transportation, allowing travellers to make more informed choices about their travel arrangements.

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 year (2022: £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. 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 26 July 2023.

F A Stratford
Director



Reed & Mackay Holdings Limited

Directors' responsibilities statement for the year ended 31 January 2023

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 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 2023 and of the group's profit for the year 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; and
- the related notes 1 to 26.

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.

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

Reed & Mackay Holdings Limited

Independent auditor's report (*continued*)

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

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.

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 procedures performed to address them are described below:

- Revenue recognition: we have identified a significant risk of cut off for events and marketing revenue. The risk is pinpointed to revenue not being recorded in the correct period which would impact the accuracy of deferred and accrued income balances at year end. In response to this risk we have understood the nature of the revenue transactions and associated processes and controls, and performed focused detailed testing on a sample of relevant revenue transactions, deferred income balances and accrued income balances.

Reed & Mackay Holdings Limited

Independent auditor's report *(continued)*

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

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

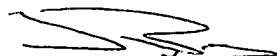
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



James Brass, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
26 July 2023

Reed & Mackay Holdings Limited

Consolidated statement of comprehensive income for the year ended 31 January 2023

	Note	Year ended 31 January 2023	Continuing operations 10-month period ended 31 January 2022	Discontinued operations	Total
			£'000	£'000	£'000
Turnover	3	69,743	24,657	1,851	26,508
Administrative expenses	4	(71,092)	(39,121)	(1,778)	(40,899)
Other income	5	404	1,481	378	1,859
Operating (loss)/profit	6	(945)	(12,983)	451	(12,532)
Interest received and similar income	9	8	1	-	1
Interest payable and similar charges	10	(31)	(162)	-	(162)
Gain on disposal of discontinued operations		-	-	4,834	4,834
(Loss)/profit on ordinary activities before taxation		(968)	(13,144)	5,285	(7,859)
Taxation on (loss)/profit from ordinary activities	11	2,279	1,247	(2)	1,245
Profit/(loss) for the period		1,311	(11,897)	5,283	(6,614)
Other comprehensive gain/(loss):					
Exchange profit on retranslation of foreign operations		360			(53)
Other comprehensive gain/(loss) for the period		360			(53)
Total comprehensive profit/loss for the period		1,671			(6,667)

There were no discontinued operations in the year ended 31 January 2023.

The notes on pages 19 to 42 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated balance sheet at 31 January 2023

Company number 05577881			
	Note	31 January 2023 £'000	31 January 2022 £'000
Fixed assets			
Intangible assets	12	43,972	44,252
Tangible assets	13	1,027	701
Investments	14	-	-
		44,999	44,953
Current assets			
Debtors	15	76,133	64,510
Cash at bank and in hand		17,332	15,852
		93,465	80,362
Creditors: amounts falling due within one year	16	(64,157)	(83,331)
Net current assets/(liabilities)		29,308	(2,969)
Total assets less current liabilities		74,307	41,984
Creditors: amounts falling due more than one year	17	(358)	-
Provision for liabilities	19	(2,458)	(4,975)
Net assets		71,491	37,009
Capital and reserves			
Called up share capital	21	244	244
Share premium account		996	996
Capital contribution reserve	21	32,811	-
Profit and loss account		37,440	35,769
Shareholders' funds		71,491	37,009

The financial statements were approved by the Board of Directors and authorised for issue on 26 July 2023.

F A Stratford
Director



The notes on pages 19 to 42 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated statement of changes in equity for the year ended 31 January 2023

	Share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2021	244	996	-	42,436	43,676
Comprehensive 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
	Share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 February 2022	244	996	-	35,769	37,009
Comprehensive income for the year	-	-	-	1,311	1,311
Currency translation differences	-	-	-	360	360
Total comprehensive income for the year	-	-	-	1,671	1,671
Capital contribution from parent company	-	-	32,811	-	32,811
At 31 January 2023	244	996	32,811	37,440	71,491

The notes on pages 19 to 42 form part of these financial statements.

Reed & Mackay Holdings Limited

Consolidated statement of cash flows for the year ended 31 January 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year/period		1,311	(6,614)
Adjustments for:			
Amortisation/depreciation of intangible/tangible fixed assets	12/13	5,967	9,360
Interest receivable	9	(8)	161
Interest payable	10	31	-
Taxation credit	11	(2,279)	(1,245)
Increase in trade and other debtors		(44,956)	(19,491)
Increase in trade and other creditors		35,837	5,043
Profit from sale of investment in subsidiary		-	(4,834)
Loss on sale of tangible fixed assets		-	168
Increase/(decrease) in provisions		202	(213)
Cash from operations		(3,895)	(17,665)
Taxation (paid)/received		(404)	1,078
Net cash used in operating activities		(4,299)	(16,587)
Cash flows from investing activities			
Bank interest received		8	1
Purchases of intangible assets	12	(910)	(732)
Purchases of tangible fixed assets	13	(859)	(412)
Purchase of subsidiary undertaking		(3,842)	(44)
Cash disposed from sale of subsidiary undertaking		-	(108)
Net cash acquired from purchase of subsidiary undertaking		1,388	422
Net cash used in investing activities		(4,215)	(873)
Cash flows from financing activities			
New bank loan		-	589
Repayment of bank loans		(202)	-
Interest paid		(31)	(15)
Proceeds received from Group undertakings		18,434	11,453
Repayment of amounts to Group undertakings		(8,496)	(6,392)
Net cash gained from financing activities		9,705	5,635
Net increase / (decrease) in cash and cash equivalents		1,191	(11,825)
Cash and cash equivalents at beginning of year/ period		15,852	27,677
Foreign exchange gains		289	-
Cash and cash equivalents at end of year/period		17,332	15,852
Cash and cash equivalents comprise:			
Cash at bank and in hand		17,332	15,852

The notes on pages 19 to 42 form part of these financial statements.

Reed & Mackay Holdings Limited

Company balance sheet at 31 January 2023

	Note	Year ended 31 January 2023 £'000	Year ended 31 January 2022 £'000
Fixed assets			
Investments	14	87,380	80,612
Current assets			
Debtors	15	-	4,763
Cash at bank and in hand		-	5
		<hr/>	<hr/>
		-	4,768
Creditors: amounts falling due within one year	16	(7,761)	(50,376)
		<hr/>	<hr/>
Net current liabilities		(7,761)	(45,608)
Creditors: amounts falling due more than one year	17	(14,637)	-
Provisions for liabilities	19	(741)	-
		<hr/>	<hr/>
Net assets		64,241	35,004
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	21	244	244
Share premium account		996	996
Capital contribution reserve	21	32,811	-
Profit and loss account		30,190	33,764
		<hr/>	<hr/>
Shareholders' funds		64,241	35,004
		<hr/>	<hr/>

The loss for the year for the company is £3,574,000 (2022 – profit of £15,955,000).

The financial statements were approved by the Board of Directors and authorised for issue on 26 July 2023.

F A Stratford
Director



The notes on pages 19 to 42 form part of these financial statements.

**Company statement of changes in equity
for the year ended 31 January 2023**

The notes on pages 19 to 42 form part of these financial statements.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the year ended 31 January 2023

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

Following the acquisition of the company by TripActions Inc., on the 30th April 2021, the reporting period in the year was shortened to 31 January 2022 to align with its holding company's reporting date. In the prior year the financial statements were prepared for the period from 01 April 2021 to 31 January 2022. The current period financial statements are for the year from 01 February 2022 to 31 January 2023, 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 for Reed & Mackay Holdings Limited.

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 year ended 31 January 2023 *(continued)*

1 Accounting policies *(continued)*

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 consists 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 an 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, Spain and Australia. The Group has included its income from the Government's Coronavirus Job Retention Scheme within other income. The Group has no unfulfilled conditions or contingencies as at year end in relation to government assistance availed of in the current year

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the year ended 31 January 2023 (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 year ended 31 January 2023 (*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 year ended 31 January 2023 (*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 year ended 31 January 2023 (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 year ended 31 January 2023 (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 Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made judgements and assumptions which affect the reported amounts of assets and liabilities at the reporting date. These estimates and assumptions also affect the reported amount of the Group's profit or loss during any period. The Group's financial results could differ from these estimates.

The directors have made the following judgements:

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. 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.

During the financial year, there was no impairment in relation to customer relationships (2022: £3.4m). There was an impairment recognised in respect of the Company's investments of £3.3m (2022: £nil).

The future cash flow estimates were based on projected future performance of the CGU 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 2023, 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.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 *(continued)*

2 Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Other key sources of estimation uncertainty

- *Intangible fixed assets (see note 12)*

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.

- *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. A UK Corporation Tax rate increase to 25% with effect from 1 April 2023 was substantively enacted in tax legislation as at the Balance Sheet date. Therefore, the deferred tax balances as at 31 January 2023 have been recognised / provided at a 25% tax rate.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

3 Turnover

Turnover is wholly attributable to the principal activity of the Group and arises from the rendering of services within the United Kingdom, the United States of America, Canada, United Arab Emirates, France, Germany, Spain, Australia, India, Singapore and New Zealand.

Analysis of turnover by country of service provided:

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
United Kingdom	57,625	20,152
France	6,531	3,240
Australia	1,992	561
United Arab Emirates	1,121	503
Germany	1,036	52
Spain	908	-
Other	530	149
United States of America	-	1,851
	69,743	26,508

4 Administrative Expenses

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
COGS	30,372	11,199
General & Administration	24,261	22,803
Research & Development	4,652	4,126
Sales & Marketing	11,807	2,771
	71,092	40,899

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 Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
Coronavirus Job Retention Scheme	230	1,782
RDEC tax credit	174	77
	404	1,859

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

6 Group operating (loss)/profit

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets (see Note 13)	650	746
Amortisation of intangible assets (see Note 12)	5,317	4,845
Impairment of intangible assets (see Note 12)	-	3,370
Hire of plant and machinery - operating leases	94	92
Hire of other assets - operating leases	2,591	1,049
Fees payable to the company's auditor for the audit of the Group and company financial statements	10	10
Fees payable to the company's auditor for other services:		
- the audit of the company's subsidiaries	290	100
- other assurance services	4	-
Exchange differences	1,133	(62)

7 Employees

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
Staff costs (including directors) consist of:		
Wages and salaries	36,941	18,862
Social security costs	3,594	1,578
Other pension costs	787	571
	41,322	21,011

Staff costs of £910,000 (2022 - £732,000) were capitalised in software development within intangible assets (note 12) in the period.

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

	Group Year ended 31 January 2023 Number	Group Period ended 31 January 2022 Number
Travel consultants and managers	572	396
Sales	82	13
Office and management	233	142
	887	551

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (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 £310,000 (2022 - £196,000) were payable to the fund at the end of the financial year and are included in creditors.

The company had no employees other than the directors (2022 – nil).

8 Directors' remuneration

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
Directors' emoluments	799	462
Company contributions to money purchase pension schemes	5	15
	<u>804</u>	<u>477</u>

There was one director in the Group's defined contribution pension scheme during the year (2022 - 3).

The total amount payable to the highest paid director in respect of emoluments was £634,000 (2022 - £260,000). 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 (2022 - £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 Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
Bank deposits	4	1
Group interest receivable	4	-
	<u>8</u>	<u>1</u>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (*continued*)

10 Interest payable and similar charges

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
Interest payable to parent undertaking	10	146
Bank loan interest	21	-
Interest paid on overdue tax	-	16
	<hr/>	<hr/>
	31	162
	<hr/>	<hr/>

11 Taxation on profit from ordinary activities

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
<i>UK corporation tax</i>		
Current tax on (loss) for the year/period	243	(443)
Adjustment in respect of previous periods	8	(18)
	<hr/>	<hr/>
	251	(461)
<i>Foreign tax</i>		
Current tax on profits of the period	293	(234)
	<hr/>	<hr/>
Total current tax (credit) / charge	544	(695)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(2,536)	(1,033)
Adjustments in respect of prior periods	339	(617)
Effect of rate change on opening balance	(626)	1,100
	<hr/>	<hr/>
Taxation on (loss) on ordinary activities	(2,279)	(1,245)
	<hr/>	<hr/>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

11 Taxation on profit from ordinary activities (continued)

The tax assessed for the year is lower than (2022 – higher than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Group Year ended 31 January 2023 £'000	Group Period ended 31 January 2022 £'000
Loss on ordinary activities before tax	(968)	(7,859)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	(184)	(1,493)
Effects of:		
Fixed assets differences	46	5
Expenses not deductible for tax purposes	485	1,254
Adjustment to tax charge in respect of previous periods	8	(18)
Income not deductible for tax purposes	(4)	(1,113)
Effect of foreign tax rate	(195)	(598)
Effect of change in tax rate	(626)	909
Deferred tax not recognised	(2,136)	436
Group Relief	-	(13)
Additional deduction for research and development	(12)	3
Adjustment to tax charge in respect of previous periods – deferred tax	339	(617)
Current tax (credit) for year/period	(2,279)	(1,245)

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 2023 was 25%.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

12 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 February 2022	18,646	1,198	1,810	48,160	6,396	76,210
Additions	1,636	164	-	2,273	910	4,983
Disposal	-	-	-	-	(68)	(68)
Exchange adjustments	8	9	4	72	10	103
At 31 January 2023	20,290	1,371	1,814	50,505	7,248	81,228
<i>Amortisation</i>						
At 1 February 2022	5,381	1,040	1,400	19,740	4,397	31,958
Provision for the year	1,090	111	323	2,920	873	5,317
Disposal	-	-	-	-	(68)	(68)
Exchange adjustments	5	3	2	22	17	49
At 31 January 2023	6,476	1,154	1,725	22,682	5,219	37,256
<i>Net book value</i>						
At 31 January 2023	13,814	217	89	27,823	2,029	43,972
At 31 January 2022	13,265	158	410	28,420	1,999	44,252

At 31 January 2023, the company had no intangible assets (2022 – £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 year ended 31 January 2023 (*continued*)

13 Tangible fixed assets

Group	Leasehold improvements £'000	Plant and machinery £'000	Fixtures, fittings and IT equipment £'000	Total £'000
<i>Cost</i>				
At 1 February 2022	1,278	1,537	5,361	8,176
Additions	12	21	826	859
On acquisition	3	3	93	99
Exchange adjustments	35	79	49	163
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2023	1,328	1,640	6,329	9,297
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 February 2022	1,124	1,473	4,878	7,475
Provided for the year	104	63	483	650
Exchange adjustments	34	78	33	145
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2023	1,262	1,614	5,394	8,270
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 January 2023	66	26	935	1,027
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 January 2022	154	64	483	701
	<hr/>	<hr/>	<hr/>	<hr/>

At 31 January 2023 the company had no tangible fixed assets (2022 - £nil).

14 Investments

Company	£'000
<i>Cost</i>	
At 1 February 2022	80,612
Additions	10,031
Impairment	(3,263)
	<hr/>
At 31 January 2023	87,380
	<hr/>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

14 Investments (continued)

The principal undertakings in which the company's interest at the year 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
Reed & Mackay Deutschland 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 Partnership International (Holdings) Limited**	England and Wales	Limited by guarantee	100%	Holding company	Nexus Place, 25 Farringdon Street, London, EC4A 4AF

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

14 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 year ended 31 January 2023 (continued)

14 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
Atlanta Agencia De Viajes, S.A.	Spain	Ordinary	100%	Corporate Travel Agent	Calvet,55, Barcelona, Spain

*held indirectly

**in liquidation

During the period, Reed & Mackay Holdings Limited acquired the share capital of Atlanta Agencia De Viajes, S.A., a company based in Spain. Further information on the acquisition is detailed in note 24.

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

15 Debtors

	Group 31 January 2023 £'000	Group 31 January 2022 £'000	Company 31 January 2023 £'000	Company 31 January 2022 £'000
Trade debtors	63,827	21,028	-	-
Amounts owed by Group undertakings	19	36,607	-	4,763
Other debtors	405	409	-	-
Prepayments and accrued income	10,235	4,004	-	-
Corporation tax	1,407	1,133	-	-
Deferred taxation (see note 20)	240	1,329	-	-
	76,133	64,510	-	4,763

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

Group:

- 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.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

16 Creditors: amounts falling due within one year

	Group 31 January 2023 £'000	Group 31 January 2022 £'000	Company 31 January 2023 £'000	Company 31 January 2022 £'000
Bank loans	1,435	1,300	-	-
Trade creditors	33,725	19,150	-	-
Amounts owed to Group undertakings	9,963	52,992	6,589	50,363
Other taxation and social security	1,744	898	-	-
Other creditors	4,883	3,073	-	-
Accruals and deferred income	12,407	5,918	1,172	13
	<u>64,157</u>	<u>83,331</u>	<u>7,761</u>	<u>50,376</u>

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

Bank loans of £1,435,000 attracts a fixed interest rate of 0.25% and are repayable on demand.

17 Creditors: amounts falling due more than one year

	Group 31 January 2023 £'000	Group 31 January 2022 £'000	Company 31 January 2023 £'000	Company 31 January 2022 £'000
Bank loans	358	-	-	-
Amounts owed to Group undertakings	-	-	14,637	-
	<u>-</u>	<u>-</u>	<u>14,637</u>	<u>-</u>

Amounts owed to Group undertakings attract a fixed interest rate of 6.26% and are repayable over 5-year period.

18 Financial instruments

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

	Group 31 January 2023 £'000	Group 31 January 2022 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>91,818</u>	<u>76,821</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>62,771</u>	<u>81,517</u>

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

18 Financial instruments (continued)

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

	Group 31 January 2023 £'000	Group 31 January 2022 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	8	1
Total interest expense for financial liabilities at amortised cost	31	162

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, bank loans 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.

19 Provisions

Group	Deferred tax £'000	TOMS Provision £'000	Dilapidations Provision £'000	Contingent consideration £'000	Total £'000
At 1 February 2022	4,093	275	607	-	4,975
Increase/(decrease) in provision	(3,460)	80	122	741	(2,517)
At 31 January 2023	633	355	729	741	2,458

Disclosure note 20 details the deferred tax assets and liabilities provided by the Group. The dilapidations provision relates to the requirements under the terms of operating leases for business premises. Costs in relation to the dilapidations provision are likely to be incurred at the end of the lease term in October 2028.

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 2023, the company had provisions of £741,000 (2022 – £Nil) relating to the contingent consideration for the acquisition of Atlanta Agencia De Viajes, S.A.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

20 Deferred taxation

	31 January 2023 £'000	31 January 2022 £'000
Deferred tax assets - Group		
Fixed asset timing differences	259	1,125
Deferred tax arising on business combinations	(19)	204
	<u>240</u>	<u>1,329</u>
Deferred tax liabilities - Group		
Tax losses	(1,915)	-
Short term timing differences	(1,916)	-
Fixed asset timing differences	954	1,049
Deferred tax arising on business combinations	3,510	3,044
	<u>633</u>	<u>4,093</u>
Net deferred tax asset/(liability)	<u>(393)</u>	<u>(2,764)</u>

The Group has utilised all of its brought forward trading losses accumulated during the COVID-19 pandemic in the current year. As of 31 January 2023, the Group has acquired losses of £7,699,000 from the hive up of acquired trade that are available to utilise in the next year (2022 - £4,957,000). As a result of these losses being available to utilise next year, a deferred tax asset was recognised in the current year. Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group. There is no expiry date in respect of losses.

The expected amount of deferred tax to unwind in the next 12 months amounts to £647,000.

21 Share capital and reserves

Share capital

	2023 Number	Allotted, called up and fully paid 2022 Number	2023 £'000	2022 £'000
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 year ended 31 January 2023 (continued)

21 Share capital and reserves (continued)

Capital contribution reserve

The capital contribution reserve represents capital contributions made by the parent company. The capital contributions during the year ended 31 January 2023 consist of:

- 1) A cash contribution of £20,941,384 from TripActions Inc. on 28th April 2022 for the settlement of a £10,751,449 intercompany creditor assigned to the company from the liquidation of the company's former group of parent companies ('Monaco entities') and cash injection of £10,189,135 into the group.
- 2) A cash contribution of £5,680,009 from TripActions Inc. on 28th April 2022 for the settlement of a £5,680,009 intercompany creditor assigned to the company from the liquidation of the company's former group of parent companies ('Monaco entities').
- 3) A cash contribution of £5,200,000 from TripActions Inc. on 25th October 2022 for the acquisition of Atlanta Agencia De Viajes, S.A.
- 4) A cash contribution of £990,000 from TripActions Inc. on 19th December 2022 for the injection of funds into Reed & Mackay Travel India Pvt Limited & Reed & Mackay Travel Singapore Pte Limited.

The Monaco entities are defined as the following former group companies:

Monaco Topco Limited (in liquidation)
Monaco Midco Limited (in liquidation)
Monaco Bidco Limited (in liquidation)
RTV Holdco Limited (in liquidation)
RTV Bidco Limited (in liquidation)

22 Commitments under operating leases

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

	Land and buildings 2023 £'000	Other 2023 £'000	Land and buildings 2022 £'000	Other 2022 £'000
Not later than 1 year	2,171	44	1,783	42
Later than 1 year and not later than 5 years	1,375	1	1,452	1
Later than 5 years	113	-	113	-
	<u>3,659</u>	<u>45</u>	<u>3,348</u>	<u>43</u>

The company had no commitments under non-cancellable operating leases as at the reporting date (2022 - £nil).

23 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 TripActions Inc. or other wholly owned subsidiaries within the Group.

Reed & Mackay Holdings Limited

Notes forming part of the financial statements
for the year ended 31 January 2023 (continued)

23 Related party disclosures (continued)

The largest undertaking for which Group accounts are drawn up is TripActions Inc, a company registered in the United States of America, whose address is 1209 Orange St., Wilmington DE 19801. The ultimate controlling party at 31 January 2023 was TripActions Inc. The Group accounts can be obtained from this address.

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.

24 Business combination

On 2 November 2022, the Group Reed & Mackay Holdings Limited acquired 100% of the share capital of Atlanta Agencia De Viajes, S.A., a company based in Spain.

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	97	-	97
<i>Intangible assets</i>			
- Brand	-	164	164
- Customer relationships	-	1,636	1,636
<i>Current assets</i>			
Debtors	4,352	-	4,352
Deferred tax asset	132	-	132
Cash at bank and in hand	1,388	-	1,388
Total assets	5,969	1,800	7,769
Creditors: Amounts due within one year	(3,158)	-	(3,158)
Creditors: amounts due after one year	(650)	-	(650)
Deferred tax liability	-	(450)	(450)
Net assets	2,161	1,350	3,511
Goodwill			2,273
Total purchase consideration			5,784
Net purchase consideration settled in cash			3,842
Deferred consideration			1,201
Contingent consideration			741
Total consideration			5,784

Reed & Mackay Holdings Limited

Notes forming part of the financial statements for the year ended 31 January 2023 (continued)

24 Business combination (continued)

The useful economic life of goodwill has been estimated to be 10 years, 7 years for customer relationships and 3 years for brand, based on forecasts for the business.

Since the acquisition date to 31 January 2023, revenues were £908,000 and the loss during the period was £43,000. All consideration, including contingent and deferred consideration, are settled in cash.

25 Net debt reconciliation

Group – 31 January 2023	1 February 2022 £'000	Cash flows £'000	Acquisitions and disposals £'000	Other non- cash changes £'000	31 January 2023 £'000
Cash at bank and in hand	15,852	92	1,388	-	17,332
Amounts owed to Group undertakings	(52,992)	(999)	-	44,028	(9,963)
Bank loans due within one year	(1,300)	515	(650)	-	(1,435)
	(38,440)	(392)	738	44,028	5,934
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)
	(14,990)	(23,875)	572	(147)	(38,440)

Non-cash movements in net debt relate to:

- Accrued interest on amounts owed to Group undertakings;
- Reassignment and settlement of intercompany debt following liquidation of former parent companies;
- Foreign exchange differences

Cash and cash equivalents include restricted cash of £nil (2022 - £nil). Group undertakings relate to fellow subsidiaries within the TripActions Group.

26 Post Balance Sheet Event

The parent company, TripActions Inc. went through a rebranding process and formally changed its name to Navan Inc in February 2023.

Subsequent to the year end, the Company has paid deferred consideration of £1,201,000 in relation to the acquisition of Atlanta Agencia De Viajes, S.A. (see note 24).

The company secured additional credit facilities of £3,500,000, increasing the company's combined facilities to £13,500,000. The financial service providers for these facilities are authorised by the UK Financial Conduct Authority.