

**The Collinson Group Limited**  
**Annual report and financial statements**  
**For the year ended 30 April 2023**  
Registered number: 11141096



# **The Collinson Group Limited**

## **Annual report and financial statements**

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**Company Information**

**Directors** Colin Evans  
Christopher Evans  
David Evans  
Lorraine O'Brien  
Jonathan Holmes (appointed 1 December 2022)

**Company Secretary** S E Hayward

**Registered Office** 3 More London Riverside  
London  
SE1 2AQ

**Auditors** Ernst & Young LLP  
25 Churchill Place  
London  
E14 5EY

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## Chairman's message

As we reflect upon the journey of The Collinson Group Limited (TCG) in the past fiscal year, I am filled with gratitude and optimism. Through relentless drive, innovation, and our unwavering commitment to enhancing the travellers' journey, we have continued to carve out our distinctive identity in the travel sector where we serve a vast array of clients and customers around the world.

TCG oversees a diverse portfolio of businesses across the globe and each of our five intermediate holding companies, has showcased considerable agility, vision, and performance, collectively contributing to the dynamism of the Group.

Collinson International Limited, being the largest share of our global endeavour, remains central to our mission. Its success, evident through its flagship Priority Pass programme and the growing strength of our strategic partnership with Salesforce, underscores our Group's commitment to fostering a seamless travel experience whilst driving engagement and customer loyalty for our clients.

Meanwhile, the Collinson Insurance Division, under Collinson Insurance Holdings Limited, has illustrated strategic growth and adaptability, further cementing its position in the travel insurance domain across the UK and Europe whilst continuing to steadily diversify its offering in other classes. Similarly, Collinson Investments Limited, in a rapidly evolving travel sector continues to make strategic investments in pioneering startups which have poised us to remain ahead of the curve, ensuring we always provide innovative solutions to our consumer base. With Valuedynamx Holdings Limited, we have set new benchmarks in personalised rewards.

It is worth highlighting the role of Airport Dimensions Holdings Limited, who has continued to develop and diversify our own airport lounge experiences offering overseeing significant growth in our hospitality footprint as we strive to serve the increasing global demand for quality lounge experiences.

Yet, the backbone of our achievements remains our talented team. Spanning 15 countries and boasting around 1,800 professionals, our people continue to deliver. It is their dedication, hard work and creativity that has led to the outperformance of our strategic objectives for the year.

Financially, FY23 has been both challenging and rewarding. Whilst we celebrated a robust 56% growth in our Group revenue we have seen significant pressures through inflation and interest rate growth. With a focus on prudent cost management and proactive customer engagement, we've managed to keep our gross margins in line with our pre-pandemic historical levels.

In our journey to own and operate some of the world's leading specialised companies in the travel sector, we continue to prioritize values that transcend profitability. Our commitment to Environment, Societal, and Governance (ESG) reflects our belief in the ethos of 'good beyond profit'. You can delve deeper into our ESG approach on our official website.

As we stride into a new fiscal year, our ambitions are higher than ever. In the wake of the pandemic, as the world takes to the skies again, TCG is better positioned than ever to redefine and elevate the travel experience. We look forward to another year of sustained growth, meaningful innovations, and a reinforced commitment to our shared values.

Colin Evans, Chairman.

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## Strategic report

The Directors present the strategic report for the year ended 30 April 2023.

### Review of the Business

The Collinson Group Limited (the 'Company', 'TCG' or 'The Group') is a holding company with an ambition to own and operate some of the world's leading specialised companies in the travel sector, as measured by customers serviced, revenue and profitability, and brand value. TCG is domiciled in the United Kingdom and its corporate headquarters is in London, England.

The Company and its subsidiary undertakings (together referred to as the 'operating businesses') currently operate through five main intermediate holding companies; Collinson International Limited (CIL), Collinson Insurance Holdings Limited (CIHL), Airport Dimensions Holdings Limited (ADHL), Valuedynamx Holdings Limited (VDXH) and Collinson Investments Limited (CINV). CIL houses the lion's share of our global business and includes the Travel Experiences and Loyalty businesses along with our Central operations. CIHL is the holding company for our Insurance and Assistance business. CINV is the arm of our Group that focuses on strategic investments and partnerships, primarily in cutting edge technology and experiences associated with the travel sector. ADHL contains our Airport Dimensions business which designs and operates airport lounges and wider experiences globally. Valuedynamx Holdings Limited (VDXH) for our Valuedynamx business, a global provider of curated data-driven omni-channel purchase rewards. And CINV is the arm of our Group that focuses on strategic investments and partnerships, primarily in cutting edge technology and experiences associated with the travel sector.

TCG's operating businesses are primarily managed on a decentralised basis, but with a select number of shared functions in place that integrate the operating businesses together. Decisions relating to external funding, capital allocation, investment activities, centralisation of shared functions and selection of Executive Directors is ultimately the responsibility of TCG.

TCG is also responsible for setting Group wide policies relating to risk, culture and behaviours of its people, and our approach to Environment Societal and Governance (ESG), details of which are provided within our ESG Report, a full copy of which can be found on our website.

Our people are an essential and integral component of the operating businesses. At the end of FY23, our operating businesses employed approximately 1,800 people across more than 15 countries. Our People engage in a wide variety of occupations across the operating businesses but where practical, consistent governance and policy are adopted. Our People Policies align to our culture and values to provide, among other things: a safe and inclusive work environment; competitive compensation and benefits; incentives to recognise and reward performance; training, learning and career advancement opportunities; and hiring practices intended to identify qualified candidates and promote diversity and inclusion in the workforce.

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## Our Strategic Framework

The Collinson Group's ambition is to own and operate some of the world's leading specialised companies in the travel sector, as measured by customers serviced, revenue and profitability, and brand value.. Underpinning this ambition is a firm belief that our responsibility goes beyond bottom line performance and the concept of doing 'good beyond profit' is core to our values.

Our strategic framework is built around three priorities which drive the focus and direction of The Group.

***Owning Attractive Businesses:*** The Group is focused on owning attractive businesses or businesses that have the capacity to become attractive under The Group's ownership. When assessing how attractive a given business is, The Group will look for the following factors to be present:

- I. Products or services that are loved by customers.
- II. Competitive cost structures.
- III. Good growth prospects.
- IV. Run by motivated and passionate employees.
- V. Geographically agnostic.

***Focused on competing within our core markets:*** The Group's operating businesses compete in the following spaces;

- I. Offering travel loyalty benefits, with a concentration in financial services clients.
- II. Owning, developing and managing the delivery of airport experiences to passengers.
- III. Personal lines insurer with a market leading position in travel insurance.
- IV. Provision of personalised, targeted, data-driven online and offline purchase rewards.

***Supported by an active parent company:*** The Group believes that through its ownership, additional value can be created for its operating businesses than they could otherwise achieve by themselves. Accordingly, the Group takes an active role in ensuring:

- I. Disciplined capital allocation.
- II. The setting of challenging financial and non-financial targets.
- III. Support is given to innovation to drive value.
- IV. Incremental revenue is generated through cross-selling.
- V. A platform of enabling services is available to operating businesses to drive efficiencies.

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## **Our Operating Businesses**

### **Collinson International Limited (CIL)**

CIL operates the world's first and largest independent airport lounge membership programme, Priority Pass, and alongside sister programmes, LoungeKey and Mastercard Airport Experiences, reach a combined consumer base of many million travellers across 154 countries. Within CIL, we also offer a range of loyalty consulting services, which builds on a 30-year history of loyalty management experience and leadership.

In FY23, activity surpassed pre-COVID pandemic performance as our independent airport lounge membership programme continued to benefit from a resurgent demand in air travel, despite the strong competitive threats. The continual growth in content available to our members coupled with a relentless focus on strengthening relationships with our clients, remain key focus areas of our strategy for this product set.

In loyalty, we continue to strengthen our strategic partnership with Salesforce. The partnership has already generated encouraging sales and with a strong pipeline of leads and qualified prospects, we are optimistic about the long-term growth potential of the Salesforce partnership.

### **Collinson Insurance Holdings Limited**

Collinson's Insurance division (CID) contains both a UK and EU (Malta) insurer providing Travel, Health and other Personal Lines insurance distributed mainly via affinity partners brands as well as a direct to consumer travel insurance brand, Columbus Direct, a market leader in the UK and Italy, as well as being a distributor of non-risk travel delay products.

In FY23, several significant strategic developments were achieved. A successful major client renewal through to 2026, as well as winning new business from a major Group client, which demonstrated the capability of the Group to effectively cross sell products across operating businesses. We also continued to see positive momentum with our Smart Delay product across all regions and believe more opportunity can be unlocked through better organisational alignment. We completed the transfer of all existing relationships from third party underwriters to our own insurance capacity. Furthermore, several transformation initiatives were delivered or progressed, including a new online travel claims platform that provides an integrated journey for all of our clients, the integration of the leisure assistance business back into CID after the disposal of the Corporate Assistance business in November 2022 and an ever increasing percentage of our premium and earnings data for our European insurance business now automatically processed through our insurance data lake.

### **Airport Dimensions Holdings Limited**

Airport Dimensions continues to establish itself as a global leader in designing, building, and operating shared use airport lounges and other airport experiences; offering a better experience for travellers and new revenue streams for airport operators.

In FY23, Airport Dimensions opened three iconic Chase Sapphire locations in Hong Kong, Austin, Texas and Boston, Massachusetts, that form part of the long-term partnership agreement between JP Morgan Chase and the Group. Two new gaming locations in Charlotte and Dubai were launched, along with two new locations for our Sleep' N' Fly concept, which now bring the total under the concept to 6. At the end of FY23, Airport Dimensions had 51 sites in operation at airports across the world.

Outside of network growth, we launched a bespoke hospitality training programme for our airport lounge staff, kicked-off an industry-wide sustainability certification program, was a world traveller award winner for our Terminal

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3 lounge at London Heathrow, all the while welcoming over 4.1 million guests to our lounges and airport experiences.

#### **Valuedynamx Holdings Limited**

Valuedynamx focuses on making loyalty programmes more relevant to their customers by combining technology platforms, data analytics and marketing to curate personalised rewards and offers to customers which can be obtained online or instore at participating merchants.

In FY23, Valuedynamx continued to grow its business and secured a number of impressive Tier 1 card linked brands including Hello Fresh, CVS, Selfridges & Co, and Pret a Manger. Furthermore, continual investment was made in the business' data capabilities including powering transaction matching, recommendation engines & visual analytics to optimise client & product performance, such that over 300 million transactions and recommendations were processed in the financial year.

#### **Collinson Investments Limited**

As part of Collinson's strategy to build a seamless traveller experience and expand the end-to-end travel journey, Collinson has made a number of strategic investments in companies representing leading innovators in the airport and travel experience.

Collinson's approach is to make minority investments in start-up/scale up businesses aligned to its goals, offering both strategic and practical support for the business, while taking a hands-off approach to day-to-day management and direction.

During the period, Collinson Investments Limited made no new investments but rather focused on continuing to support their existing investments as they continue through their start-up phase.



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## Results and performance

The primary quantitative KPIs that the Group use to monitor its performance include revenue, gross margin, operating profit, underlying operating profit, EBITDA and certain tax and treasury related performance measures. These are set out below.

Overall, FY23 has seen a continued improvement in topline growth and profitability driven through continued increase in travel and demand in the Group's products coupled with continued focus on cost containment and efficiency improvements.

### Group revenue and gross profit

Group revenue increased by 56%, to £1,144m (2022: £732.7m) with gross profit of £201.7m representing an increase of £50.2m from FY22. The YOY increase was primarily driven through our Travel Experiences, Airport Dimension and Insurance businesses which benefited from the continued increase in travel and demand for travel related products. Those increases were offset by the trail from our COVID-19 testing activity largely in the first quarter of FY23. Activity in our VDX and Loyalty businesses continued to show significant growth in line with our expectations.

Gross margin in FY23 was 18%, a decrease from the 21% reported in FY22. The reduction is largely due to product mix and impacted by the run-off of COVID-19 testing revenues. FY23 gross margins are more aligned with our pre-pandemic levels which we have been able to maintain largely through price and cost management. The risks of continued inflationary pressures is being managed through proactive dialogue with our customers and suppliers

### Group operating profit before tax

Reported operating profit before tax was £18.4m (2022: £12.3m). The increase in reported profit in the financial year was as a direct result of the improved revenues and margins noted above, offset by increased investment spend in our people and product propositions and foreign exchange losses.

### Underlying operating profit

	2022-23	2021-22
	£'000	£'000
<b>Underlying operating profit</b>		
<b>Operating profit (as reported)</b>	<b>18,366</b>	<b>12,347</b>
Non-underlying items:		
Impairment of intangible assets	2,492	-
(Reversal of impairment)/ impairment of tangible assets	(413)	1,623
Impairment of assets	1,723	2,297
Government support schemes	-	(3,927)
Refund of VAT	-	(2,914)
(Reversal of provision)/provision for onerous lease	(272)	251
Provisions for other taxes	-	3,401
Restructuring costs	1,855	-
Foreign exchange loss/(gain)	5,184	(10,287)
<b>Underlying operating profit <sup>(1)</sup></b>	<b>28,935</b>	<b>2,791</b>
	%	%
<b>Reported operating margin</b>	<b>1.6</b>	<b>1.7</b>
<b>Underlying operating margin</b>	<b>2.5</b>	<b>0.4</b>

(1) Underlying operating profit excludes certain non-trading items, including fluctuations in realised and unrealised foreign exchange and other one-off costs in order to present trading performance in a consistent manner year-on-year

Reported operating profit was impacted by a number of non-recurring items and foreign exchange which are detailed in the table above. Underlying operating profit totalled £28.9m (2022: £2.8m) which reflects the improved

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profitability of our underlying business. An increase of our underlying operating margin to 2.5% (2022: 0.4%) reflects our efforts to continuously improve operational efficiency.

The impairment of intangible assets in FY23 was due to the sale of our Commercial Assistance business as discussed previously. In FY22 we provided for an impairment in the assets of one of our lounge businesses due to a decline in volume in that market. In FY23, given the increased volumes and profitability we were able to partially reverse the impairment provision and fully reverse the related onerous lease provision. The impairment in assets is related to the carrying value in and loans to certain investments within the Collinson Investments arm of the business. The restructuring provision relates to an action management took in FY23 to restructure core elements of our organisation which unfortunately resulted in making some staff members redundant. We also exclude from underlying operating profit foreign exchange gains and losses which are expanded upon below.

#### Finance income and expense

Net interest expense, excluding gains and losses on derivative financial instruments, totalled £5.2m (2022: £5m). Interest expense is primarily associated with our term loan and acquisition facility which increased from FY22 due to higher interest rates and additional drawdowns. We were able to largely offset the interest expense increase through placement of available cash on money market funds and overnight deposits.

As outlined in financing below, in FY23 the Group implemented a new foreign exchange hedging policy and executed GBP and Euro forward exchange contracts during the year. The current policy is to hedge 75% of the exposure within the first 6 months, 50% within 6-12 months and 25% within 12-18 months ahead, for GBP and Euro currencies. Net gains on FX forwards totalled £6.4m in FY23 (2022: £nil), of which £5.8m related to contracts not yet settled. The hedging policy is continuously reviewed and adjusted as necessary.

#### Taxation

The current year's effective tax rate (ETR) is 28.3% (2022: 28.2%) based on profit before tax of £21.6m (2022: £3.6m). The Group's ETR was adversely impacted by non-deductible interest expense in the UK, higher tax rates in overseas jurisdictions such as the USA, and the non-recognition of losses incurred in Singapore, India and France.

#### Cash flows

Total cash and cash equivalents of £188.8m at the end of FY23 represents a £23.9m increase from last year. The increase in cash was largely attributed to cash generated from operations (£54.6m) and a net inflow from financing activities (£2.8m), offset by a net cash outflow associated with investing activities (£34.3m). Cash and cash equivalents includes fiduciary funds of £33.0m (2022: £37.9m) held on behalf of clients. These fiduciary funds are legally restricted and not available for use by the Group.

Cash inflows from operations of £54.6m benefited primarily from positive working capital movements (£34m benefit) which were slightly offset by net outflow associated with tax receipts and payments (£6.7m). Working capital movements were largely driven by increase in business activity primarily in the Travel Experiences, Airport Dimensions and Insurance businesses.

Net cash outflows associated with investing activities (£34.3m) was primarily due to continued investment in our IT infrastructure, continued buildout of our airport lounge portfolio and further investments in strategic partnerships. In addition, £15.9m of cash was invested into deposits at select credit institutions with maturities between 3 months and one year.

During the year the Group drew a further £9m from its acquisition facility to fund the continued development of our airport lounge portfolio. This coupled with net interest payments of £6.1m resulted in a net inflow from financing activities of £2.8m.

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#### Financing

The Group maintains a long-term financing agreement which matures on 1 July 2026 which includes a Term Loan of up to £50m and an Acquisition Facility of up to £50m, which is available to draw on until 1 July 2024. In addition, the Group maintains a revolving credit facility of £12.5m. As at 30 April 2023, we had drawn £50m from the term loan, £17m from the Acquisition facility (with £33m remaining at our disposal) and earmarked £5m of the RCF for use on Letters of Credit, of which £3.1m was utilised at the end of the year.

#### Foreign Exchange and Interest Rate Risk Management

The Group operates its global exposure to fluctuations in exchange rates, most significantly to the US dollar, UK pound, HK dollar and Euro currencies. During the year the Group implemented a foreign exchange hedging program to manage the FX exposure associated with its foreign operations. The Group has taken out several strategically placed foreign exchange forward contracts to hedge the Group's US dollar, UK pound and Euro exposure.

#### Five Year Performance

	2022-23	2021-22	2020-21	2019-20	2018-19
	£'000	£'000	£'000	£'000	£'000
Revenue	1,144,005	732,674	369,756	1,039,620	1,013,737
Gross profit	201,670	151,520	97,932	187,530	175,915
Operating profit/(loss)	18,366	12,347	(34,654)	33,053	38,480
Foreign exchange (loss)/gain <sup>(1)</sup>	(5,184)	10,287	(7,717)	(259)	4,298
EBITDA <sup>(2)</sup>	28,528	19,523	(28,306)	39,982	45,389
Cash and cash equivalents	188,789	164,928	77,656	133,354	130,502
	%	%	%	%	%
Gross Margin	18	21	26	18	17
Operating Margin	1.6	1.7	(9.4)	3.2	3.8

(1) Included in operating margin

(2) EBITDA is profit before tax, including realised gains on derivatives and excluding the effects of depreciation, amortisation, interest income and interest payable.

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## Managing Risk

Our aim is to embed risk management policies and procedures which are proportionate to the business, understood by everyone and provide management and the Board with information to make risk-based decisions. We have adopted the 3 lines of defence model, working closely with all areas across the business, to help identify and assess risks, set targets and actions to react to and treat risks. Business unit risks are aggregated to identify key trends or risks which could have a significant impact on business objectives and, together with the strategic risks identified by management, form the key risk register.

The process of risk identification, assessment and management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with Code of Conduct, regulation, legal and ethical standards is a high priority for management and the risk management function.

The Board is responsible for generating long-term shareholder value by setting the Group's strategic direction and approving the Group's risk appetite, determining the nature and extent of risk the Group is willing to take to achieve its objectives. The Board is also responsible for effective management of operations and the internal control framework to monitor financial risks and control effectiveness. The Audit Committee review the adequacy of controls, improvement plans and assurance reports from Internal and External Audit.

Chaired by the Independent Non-Executive Director, the Risk Committee reviews the key strategic risks likely to impact the business objectives, agree action plans and provides escalation to the Board where appropriate. The following list highlights some of the principal risks identified by the Risk Committee:

Risk	Mitigation
<b>Cyber security</b>  Threat of phishing, ransom, hacking, viruses, or unauthorised data breaches; and unintentional loss of controlled data by authorised users.	<ul style="list-style-type: none"> <li>Investment in the latest Cyber Security controls, tools, and technology</li> <li>Additional hires in Cyber Security team</li> <li>Training and communication campaigns</li> <li>Breach management procedures</li> </ul>
<b>Competition Risk</b>  Inability to retain a market leading position in a highly competitive environment, ensuring retention of the largest global lounge network and strengthening the portfolio of customer experiences.	<ul style="list-style-type: none"> <li>Strong, long standing customer relationships providing the largest global lounge network</li> <li>Innovation roadmap to continue to deliver customer experiences</li> <li>Intelligence in the global market space</li> <li>Robust strategic partners in all regions allowing the Group to acquire new lounges, invest in innovation and build new products and new markets.</li> </ul>
<b>Financial Risk</b>  Demands on cash, pressure from clients and suppliers for revised payment terms, pricing, and reduced margins, coupled with exchange rate volatility, and inflation could negatively impact cash management and profitability.	<ul style="list-style-type: none"> <li>Dedicated partnership and procurement functions embedded in the organisation to achieve maximum value, price and service</li> <li>A five-year term loan and acquisition facility secured in July 2021 to provide financial support for general corporate requirements and working capital as well as funding for acquisitions, continued growth, and investment.</li> <li>Geographical and sector diversification to mitigate foreign exchange volatility</li> <li>Group Treasury function to monitor cash and currency movements</li> </ul>

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#### Regulation and Governance

Failure to comply with legal and regulatory obligations including financial services, financial crime, data protection and corporate governance.

- Foreign currency contracts to hedge our FX exposure and reduce impact of fluctuations.

- Dedicated Risk, Compliance and Governance functions providing support and advice, training and awareness, oversight and assurance, horizon scanning, and remediation programmes as required.
- Group Risk Committee providing the Board with regular information on the risks and incidents across the business.

#### Macroeconomic Risk

The financial risk to the business of macroeconomic events such as the conflict in Russia, political changes, travel patterns and labour markets.

- Three-year financial planning with quarterly re-forecasting
- Data and insights tracking customer behaviour and travel volumes
- The impact of inflation has a possible impact on lounge pricing which is managed through our strategic relationships.
- Horizon scanning for key external risks and events

#### People

Inability to attract, retain and develop the right people and skills required to deliver our strategic objectives.

- Identify and retain key talent and ensure we have the right skills and experience in the right places to manage our businesses.
- Employee wellbeing activities and surveys
- Staff training and performance and development programmes to strengthen our commitment to our people.

This year, we have seen travel volumes and recovery to pre-covid levels, in some regions higher than 2019 volumes. This has created capacity challenges in some lounges and the need to further strengthen our relationships with lounge partners, create innovative lounge alternative products and invest to address market need.

With the inflationary pressures increasing through 2022 and into 2023 we have seen the impact to costs of living both for our people and through our supply chain. We continue to address these challenges with our suppliers while retaining a sustainable margin for long-term business success. Relationships with our key suppliers and partners is key to future success and we work together to accommodate strategic solutions.

Like many, we continue to drive for a sustainable future for ourselves and our wider communities. As we mature our climate change strategy, we support the industry drive to sustainable travel and will be setting targets and commitments to achieve our goals. Our ESG strategy is discussed further under our ESG Report below. The Board do not foresee any short-term impact from climate change risk.

## Section 172 statement

### Director's statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under section 172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

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

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#### Our Stakeholders

The directors consider the following groups are the Group's key stakeholders. The Board seeks to understand the interests of the stakeholder groups so that they may be properly considered in the decision-making process. This is done through direct engagement, receiving reports from management and inclusion of stakeholder interests in Board papers as appropriate.

<b>Our People</b>	
<b>Why they matter to us and why is it important to engage</b>	<p>Employee engagement and wellbeing is paramount to the success of the business, ensuring the business has the culture and values critical to the delivery of our strategy.</p> <p>Our people can expect a workplace that is safe, inclusive and offers them the opportunity to develop, learn and engage.</p> <p>We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect.</p> <p>Our people want to be a part of the decisions that affect them, be empowered to make decisions, be safe to challenge management, be curious to ask questions and be supported by effective systems of communication.</p>
<b>How management and the Board engage</b>	<p>The Board receive regular reports from the Chief People Officer (CPO) on all aspects relating to the value, development and wellbeing of our people.</p> <p>Our Employee Network Groups (Women in Collinson, Link and Kaleidoscope) are run and led by members of our global workforce to drive diversity and inclusion through the organisation. All of people policies are under a cycle of constant improvement and are reviewed and approved by the Board.</p> <p>Following the success of our reverse mentoring programme between our people and our senior leaders, this will continue as a permanent learning programme for our senior leaders.</p> <p>Collinson operate a framework for employee engagement, development, information and consultation. Using our technology we are able to communicate with our staff across the globe, as we continue to support a hybrid working environment which includes regular video updates from our Leadership and monthly virtual engagement sessions with all of our people managers.</p>
<b>Our Partners and Suppliers</b>	
<b>Why they matter to us and why is it important to engage</b>	<p>We are only able to offer and deliver high quality products and services with the support of our partners and suppliers.</p> <p>Our reputation is built on our products and brands, ensuring our values are aligned with our suppliers and together we can work to create a responsible, sustainable and valuable supply chain. Knowing who we are working with enables us to create strategic partners with the safety and security of the resilience of our operations and long-term success of our business.</p> <p>Developing key strategic partnerships with our outsource partners has given us the ability to continually grow and expand our portfolio of activity.</p>

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	Innovation is key to our success and working in partnership with our suppliers to continually improve, stretch and disrupt the market providing the best products and services to our clients and customers.
<b>How management and the Board engage</b>	<p>We outsource activity across many of our divisions and undertake due diligence, oversight, and regular engagement with all outsourced providers. Our approach to procurement incorporates practices to make responsible procurement decisions which treat suppliers fairly, mitigate modern slavery and ensure prompt payment.</p> <p>We operate key account management practices including the operation of our lounge network through a dedicated partnership team working to deliver sustainable strategic relationships across our global network.</p> <p>Our Board have also supported the foundation of Travel and Hospitality Chapter of the Sustainable Procurement Pledge.</p>
<b>Our clients and customers</b>	
<b>Why they matter to us and why is it important to engage</b>	<p>Our customers are the foundation of our business. It is important that working with our clients, we provide a range of products and services to meet their needs.</p> <p>Our customers want their travel experience to be safe comfortable, secure and sustainable. Working with our clients we can develop innovative products and propositions to improve the travel journey.</p> <p>By aligning our strategic objectives, our clients work with us to maximise customer experience for mutual benefit.</p>
<b>How management and the Board engage</b>	<p>Management engage closely with key clients ensuring a synergy of strategic objectives, culture, and values.</p> <p>Our continued investment in digital services and broader technology to support innovation and security is in part driven by the needs of our clients through collaborative product development and design.</p> <p>Our access to customer data and intelligence provides us with an understanding of customer needs and demands, to feed our product development and improve customer experience.</p> <p>In Insurance, we have regular communication with customers via sales, service and claims journeys to influence product design and operational strategies such as online claims handling.</p>
<b>Our Regulatory Bodies</b>	
<b>Why they matter to us and why is it important to engage</b>	<p>Maintaining a robust legal and regulatory framework is an important factor to how we operate ensuring we maintain corporate compliance; our customer data is safe and secure, and our customers are protected by relevant regulation.</p> <p>Maintaining open relationships with our relevant regulatory bodies enables us to keep abreast of regulatory change and corporate governance reform, providing consultation if appropriate.</p>
<b>How management and the Board engage</b>	The Board are able to drive effective programmes of regulatory change and reform through the Board Audit and Risk Committees.

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	<p>Subsidiary companies within the Group are regulated by the Financial Conduct Authority, the Prudential Regulation Authority (PRA), and Malta Financial Services Authority (MFSA). We have open and transparent relationships with the regulators and notify any relevant events through the appropriate channels. We have meetings with the PRA and MFSA as required to discuss changes or developments to strategy and business plans.</p> <p>The Board receive communication from management on relevant regulatory correspondence and engagement.</p>
<b>Our Shareholders</b>	
<b>Why they matter to us and why is it important to engage</b>	<p>As a Private Limited Company, we are 100% owned by Parminder Limited.</p> <p>Our shareholders support our strategic objectives and operations seeking sustainable long-term return on investment with no fixed return on capital expectations.</p>
<b>How management and the Board engage</b>	<p>The Company report to the Shareholder on performance, business strategy and return on investment as required.</p>
<b>Our Communities and Environment</b>	
<b>Why they matter to us and why is it important to engage</b>	<p>We believe that you do not have to choose between making meaningful change and running a successful business. We want to be more than just a profitable company and measure our success by the impact we have on those around us.</p> <p>We want to support the communities in which we operate to provide a sustainable future for our people, our customers and our environment.</p> <p>We make sure our actions and decisions are guided by our values, and always push ourselves and our wider networks to treat people fairly and operate in a socially, environmentally, and economically sustainable way.</p>



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<b>How management and the Board engage</b>	<p>The Travel and Financial Services industries are our main target sectors, both of which are increasingly stepping up their efforts to minimise their environmental impact. We have created our ESG strategy, sponsored by the Board, and invested in additional resource to develop our plans in FY23. This will include diverse supply, global scope 1 and 2 emissions reporting and setting our targets for environmental sustainability.</p> <p>Each of our global offices is focusing on continuous opportunities to improve our sustainability efforts, ranging from the reduction of plastic waste to how we can maximise the use of technology and digital innovation in our products.</p> <p>As well as working with our strategic charitable partners, we offer all our people volunteer opportunities and match funding for charitable giving.</p>
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## Principal Decisions

### Introduction

The Group defines a principal decision as any decision of the Board that is material to the Group and or is significant to any of its stakeholders.

Below is the Group's statement regarding how stakeholder considerations are considered in relation to specific Board decisions during FY23. Directors are required to have regard to the impact of their decisions on the broader stakeholder community when performing their duty to promote the success of the company under section 172 of the Companies Act 2006. Papers supporting key decisions are received ahead of time prompting challenge and debate on the merits of proposed actions by management in the best interests of the Group. Specific examples are set out below.

Principal Decision	Who we engaged with and how
<b>Sale of Assistance</b>	<p>On 1<sup>st</sup> November 2022, the Board approved the sale of corporate medical assistance activities comprising the entire issued share capital of Collinson Assistance Services Limited and Intana Global Limited (together "Assistance") to Crisis24. The Insurance medical assistance activity required to support the claims and assistance activity of the Insurance division, was retained and transferred to Collinson Insurance Services Limited.</p> <p>During the process of the sale, and the following months, the continuation of medical assistance servicing to clients and customers was key.</p> <ul style="list-style-type: none"> <li>• A transitional arrangement was agreed with Crisis24 to enable existing staff, systems and processes to continue causing no disruption to end customers</li> <li>• All impacted staff were consulted under a programme of continuous engagement and where necessary formal consultations and TUPE processes were followed</li> <li>• Medical networks were engaged, and new terms and conditions provided where necessary</li> <li>• Clients and partners were kept informed of the changes throughout to assure on continued service delivery</li> <li>• New roles, such as a new Chief Medical Officer, were created in the Insurance division in advance of the changes</li> </ul>

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<b>Finance Transformation</b>	<p>The Board approved a programme of changes to improve the operational efficiency of finance function, these included</p> <ul style="list-style-type: none"> <li>• The appoint of a new CFO in November 2022</li> <li>• Investment in MS Dynamics as the new finance platform to bring all legacy tools and processes into a consistent operating model</li> <li>• Improvements in finance operations, processes, policies and controls</li> <li>• Investment in key roles such as Treasury, Tax, Controllership and FP&amp;A</li> </ul> <p>Throughout the detailed stages of the change programme, finance and other relevant staff have been kept informed of the impact to their operations together with training where required for new processes and tools.</p> <p>We engaged with our suppliers where changes to purchase ledger or supplier onboarding was required, resulting in minimal disruption to payments.</p> <p>Our internal and external auditors have assisted with the validation of controls minimising the risk to business and key stakeholders</p>
<b>Product and Innovation</b>	<p>During the financial year, the Board have invested in new and additional capabilities within the Tech, Product and Innovation function, including a new Chief Product and Innovation Officer.</p> <p>As we look to continually improve our existing product suite as well as invest in new innovation, engagement with our key clients ensures we are creating products and services to meet the needs of our clients and their customers.</p> <p>We have created new roles in the Tech and Data environment, bringing in new skills and capabilities and where needed consulting with staff where roles are no longer required. Unfortunately, a number of existing roles were put at risk during the year resulting in a number of staff members being made redundant.</p> <p>We use data and insight to get closer to our customers, understand their needs and create products and services to enhance their travel experience. We continue to improve our Customer engagement and feedback directly with our customers and via our corporate clients.</p>
<b>Family Policies</b>	<p>We recognised the evolving needs and demands of our people for today's workplace and have introduced a new suite of family friendly people policies, guidance and benefits. Family Matters is our way to support our people wherever they are on life journey, including</p> <ul style="list-style-type: none"> <li>• Bereavement guidance and support,</li> <li>• Guidance, training and support for managing Menopause</li> <li>• New parent pack,</li> <li>• Parenthood buddy programme,</li> <li>• Enhanced people policies to support fertility, miscarriage, career breaks and sabbatical leave</li> </ul> <p>In designing and launching this programme we sought specialist external advice and engaged with our People out employee network groups.</p>

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## ESG Report

Collinson is a family-owned and operated private company with a long history of acting ethically and with purpose, standing for more than just making money and striving to be a business our people are proud to work for and our clients want to work with. We have sought to be a commercially successful and trusted organisation that enhances the communities and environments where we work. Our Environment, Social and Governance (ESG) programme, or “Good beyond profit” as we refer to it internally, seeks to formalise this into our core business strategy, and to harness the collective power of our people, clients, partners, suppliers and wider stakeholders.

We have been disclosing our Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions for our UK offices in our annual report since 2019. This has been in line with the Greenhouse Gas Protocol’s standards and the UK Government’s policy on Streamlined Energy and Carbon Reporting (SECR), which requires organisations to report energy and carbon emissions in this manner. We continue our SECR reporting for FY23 herein.

Furthermore, we are delighted to have published our second formal ESG Report for FY23, which is available on our website. Within this report, we expand our GHG emissions disclosures to cover our global Scope 1 and 2 emissions for FY22 and FY23 including our global offices and our wholly owned airport assets.

Our ESG report also highlights the significant steps we have taken to deliver Good Beyond Profit, detailing our full scope of progress across the full ESG spectrum. It includes our sustainable airport lounge development actions, our programme to deliver sustainable membership materials, our head office relocation, the introduction of our electric vehicle scheme, our flagship family matters policies, our diversity and inclusion initiatives, and our significant support for charitable causes.

Referenced within our FY23 ESG Report, but also presented as a standalone disclosure, we have completed our first Taskforce for Climate Related Financial Disclosures (TCFD) Report for FY23. This is also available on our website.

### UK Streamlined Energy and Carbon Reporting (SECR)

Our FY23 SECR disclosure presents our GHG footprint inside the UK across Scope 1, Scope 2 and partial Scope 3, appropriate intensity metric, and summary of actions taken during this financial year. In our FY22 SECR reporting, we expanded to cover some Scope 3 categories for the UK including waste, water, and business travel, however we incorrectly signposted the water within waste disposal. This has been corrected for FY23 and backdated for FY22, with water now a separate line item.

	Year ended 30 April 2023 tonne CO2	Year ended 30 April 2022 tonne CO2
<b>Scope 1</b>		
Emissions from fuel consumption in utilities and vehicles where Collinson is responsible for the purchasing the fuel	4.401	1.704
<b>Scope 2</b>		
Emissions from electricity purchased for offices	124.322	130.698
<b>Scope 3</b>		
Waste generated in offices	3.379	3.057
Business Travel	201.336	123.540
Water	0.457	0.392
<b>Total gross CO2e based on above</b>	<b>333.895</b>	<b>259.390</b>
<b>Intensity ratio (tonneCO2e/per full-time UK employee)</b>	<b>0.443</b>	<b>0.324</b>

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#### Methodology

We have used 2023 UK Government's Conversion Factors for Company Reporting and the Energy Institute Energy Savings Opportunity Scheme toolkit and the GWPs used within that were consistent with those used in the 2023 UK Government Conversion Factors.

Reporting period	1 May 2022 to 30 April 2023
Organisational boundary	Financial control approach
Alignment with financial reporting	SECR disclosure has been prepared in line with the annual accounts made up to 30 April 2023
Emissions factor source	DEFRA, 2022 for all emissions factors <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023</a>
Calculation methods	Activity Data x Emission Factor = GHG emissions
Reason for the intensity measurement choices	The chosen metric is based on the number of full time UK employees

#### Actions summary

The disclosures above present an increase in our GHG emissions in FY23, compared with FY22. This is mainly attributed to our business recovery post the COVID-19 pandemic. Although we are still operating in a hybrid working model, we saw an increase in waste generated in offices, water consumption and business travel. During FY23, as restrictions were eased, this led to an increase in employee travel between offices and to client sites. While we firmly believe in the value of in-person meetings, we also understand the environmental impact these can impose. We are therefore updating our travel policy and implementing a new travel management system, and in doing so are encouraging employees to choose lower emission routes when booking air travel, and to plan all business travel with a sustainable mindset.

We previously shared our plans to introduce the new business travel management system in FY23, however as we decided to go out to market for the provision of this system, it will now be implemented in FY24.

We have also implemented an electric vehicle scheme for our UK-based employees, which allows for more sustainable business and personal travel, and are educating on best practice in terms of waste avoidance and disposal throughout our offices.

During FY23 we sourced a new corporate head office in the UK, situated within the iconic More London Estate. This new office is powered by 100% renewable electricity delivered by SSE's wind and hydro assets and certified by EcoAct. It also benefits from modern, upgraded LED lighting and various efficiency monitoring and action systems. The fit out was delivered with sustainability embedded by design. Double monitors were removed to halve the related energy consumption, and the majority of furniture, fixtures and fittings were upcycled and re-used from our old offices. The reduced impact of the new office will be counted within our FY24 ESG Report and broader disclosures.

#### Corporate Governance

The Board are committed to a robust culture of governance, conduct and ethics reflecting the values of the Collinson Group. Decisions are made considering the impact on the long-term business strategy and considering the impact to multiple Stakeholders. As a private company we have not applied a specific corporate governance code and will continue to monitor corporate governance reform before deciding whether it would be beneficial to apply a specific corporate governance code.

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#### **Governance Framework**

The Group maintains a corporate governance framework of Board and Committees to operate strategic and management decision making. Terms of reference and levels of authority and escalation are clearly defined and a calendar of regular Board and Committee meetings are held. Information is provided to the Board in advance of the meeting and decisions and Minutes are recorded. Further details are provided in our FY23 ESG Report.

#### **Director Responsibilities**


The Board seeks to ensure that necessary financial and non-financial human resources are in place for the Group to be able to meet its objectives, to review management performance and to ensure that its obligations to its shareholders are understood and met. The Board receives regular and timely information on all key aspects of the business including financial performance, strategy, operational, people and market conditions, supported, where possible, by KPIs.

All directors have a clear understanding of their roles and have access to legal and corporate governance advice on their responsibilities or relevant regulations. The Board receives briefings and training on new regulations impacting the Group.

#### **Future Outlook**

We remain buoyed by the recovery in travel demand following the effects of COVID and see no clear evidence of a softening in the demand outlook. Our key US domestic market continues to benefit from the major US financial institutions using airport lounge benefits as a key lever to win consumers to their payment card products, clearly benefitting our CIL and Airport Dimensions businesses. To further sustain our business recovery, demand in our Asia Pacific markets, which lagged other regions, is rebounding ahead of plan and speaks to the benefits of a diversified global business. While the tailwind created by the sustained demand recovery in travel has been instrumental to help strengthen the financial position of the business, we are acutely aware that the future success of the Group will be determined by how well we deliver on the factors that are within our control. Remaining first and foremost focused on our client and partner needs, while we take care of our employees and encourage them to innovate to make the Group more efficient, our focus looking ahead will be to deliver on the strategy the Group and its Operating Businesses have developed.

This report was approved by the Board on 25 September 2023 and signed on its behalf by

DocuSigned by:  
  
58E6624836E7409  
**Colin Evans**  
Chairman

3 More Riverside London  
London  
SE1 2AQ

## The Collinson Group Limited

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## Directors' report

The Directors present their report and audited financial statements for the year ended 30 April 2023.

### Future developments

Likely future developments in the business of the Company are discussed in the strategic report.

### Engagement with Stakeholders

Engagement with Employees, Customers, Suppliers, and other stakeholders is discussed in our S172 Statement in the strategic report.

### Going Concern

The consolidated and parent company financial statements have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council ('FRC'). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. Based on that assessment the Directors have a reasonable expectation that the Group has sufficient liquid resources and headroom on financial covenants to continue in operational existence for the period from the date of signing the financial statements to January 2025. In making the assessment, the Directors have considered the principal risks to the Group; the current financial performance; forecasts of future financial performance, future operational and capital expenditure; available financing facilities and associated covenants; and realistic actions available to management to mitigate any downside risks.

In making the going concern assessment the Directors have considered the Group's access to liquidity along with recent financial forecasts and projected liquidity and net debt positions. The Group had access to £91m of liquidity at 30 April 2023 when taking into consideration available cash (which excludes unrestricted funds of our Insurance business) and access to a revolving credit facility. As at August 2023 the Group had £59.6m of liquidity it could access. In addition, the Group had £33m available to it under the Acquisition Facility that can be used to fund strategic investments to support continued growth of the business. Management has modelled a base case representing our current outlook of the future expected performance of the business. This reflects the continued increase in volumes in our Travel Experiences, Airport Dimensions and Insurance businesses as the pace of travel recovery and demand increases and more modest growth across all other divisions. Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants.

As set out in the Strategic Report the Directors consider one of the most significant financial risks to the Group at this time is the risk relating to macroeconomic factors. As such the Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a reduction of lounge visit volumes as well as elevated costs compared to our base case. This reflects the risk of a significant slow-down in travel recovery and weaker travel demand due to the cost-of-living crisis and the related inflationary pressures. Whilst the Directors believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Group are confident it would not breach any of its covenants during the going concern assessment period.

The Directors have also considered a reverse stress test which considers a scenario where a combination of individually plausible adverse macroeconomic factors all materialise concurrently and for a sustained period. The Directors believe that the combination of all such factors happening concurrently, which would be necessary to result in a breach of the financial covenants even after allowing for available management actions, is remote.

Based on the above, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

## **The Collinson Group Limited**

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#### **Results and dividends**

The audited financial statements are presented from page 28. The Company has paid a dividend of £nil for the year (2022: £20k). The Company has not recommended any further dividends.

#### **Directors**

The names of the current Directors are listed on page 1.

#### **Insurance of Directors and Officers**

The Directors and Officers of the Company are covered under a Directors and Officers liability policy covering the entire Collinson Group. These insurance policies were in force at 30 April 2023 and on the day the Directors' report was approved.

#### **Financial instruments**

The Group's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and loans. The main purpose of these instruments is to raise funds to finance the Group's operations. In respect of cash, liquidity risk is managed by actively monitoring balances and ensuring that funds are in place to meet liabilities as and when they fall due. Trade receivables are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade payables liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The Group is exposed to fluctuations in exchange rates, most significantly to the US dollar and HK dollar. Foreign exchange risk is partially mitigated by natural hedging and where appropriate managed through the Group's policy of hedging a proportion of forecasted currency requirements through forward foreign currency contracts. The Group's hedging policy has been further developed this year including new hedging against the cost of Euros. Along with the significant increase in revenues this has resulted in a significant increase in the amounts of currency forward hedged.

#### **Research and development**

There has been £nil spent on research and development during the year.

#### **UK Streamlined Energy and Carbon Reporting (SECR)**

The SECR report is presented in our ESG Report within the Strategic Report

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#### **Post balance sheet events**

There are no post balance sheet events requiring disclosure.

#### **Disclosure of information to auditors**

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

1. as far as each of them is aware, there is no information relevant to the audit of the Company's and Group's financial statements for the year ended 30 April 2023 of which the auditors are unaware; and
2. the director has taken all steps that he/she ought to have taken in his/her duty as 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.

#### **Independent auditors**

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the annual meeting of the Board of Directors for the reappointment of Ernst & Young UK LLP as the auditor for the ensuing year.



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## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and FRS103 'Insurance Contracts').

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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board on 25 September 2023

DocuSigned by:  
  
58E6624836E7409  
**Colin Evans**  
Chairman

3 More London Riverside  
London  
SE1 2AQ

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLINSON GROUP LIMITED****Opinion**

We have audited the financial statements of The Collinson Group Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 37 to the Consolidated financial statements and notes 1 to 12 to the Parent Company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and FRS 103 "Insurance contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 30 April 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 and parent company's ability to continue as a going concern for the period to January 2025 from the date 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## **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 this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of 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 directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

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

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

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 33, 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.

### ***Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are (FRS 102, FRS 103 and the Companies Act 2006) and the relevant tax compliance regulations in the UK and overseas jurisdictions in which the group operates. In addition, the group has to comply with laws and regulations relating to its operations, including health and safety, employment, data protection, anti-bribery and corruption.
- We understood how The Collinson Group Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We determined whether there were deficiencies within the Group's and parents control environment, including entity level controls such as those relating to ethical behaviour and fraud prevention and deterrence, through observations during our audit procedures and discussions with the local component auditors. We corroborated our enquiries through our review of Board minutes, correspondence with tax and other regulatory authorities, significant contracts and agreements impacting the Group in the financial year and noted that there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We have also considered the controls that the group has established to address risks identified by the group, or that otherwise seek to prevent, deter or detect fraud. Additionally, we used our knowledge and prior experience of both the business and the industry to determine areas where fraud is more likely to occur, including consideration of areas of judgement and estimation as well as complex transactions. Our procedures involved:
  - Consideration of fraud risks during the planning of and throughout our audit.
  - Inquiring of Management as to the risks of fraud and the controls in place.
  - Understanding the oversight by those charged with governance of Management's controls over fraud risks including the whistleblowing processes.
  - Consideration of the effectiveness of Management's controls designed to address the risks of fraud.
  - Determining an appropriate strategy to address those identified risks of fraud.
  - We also considered the impact of macroeconomic factors on the group's business.
  - We assessed of the consistency of operations and controls in place as the company used hybrid working for the period under audit and made enquiries of management via the use of video conferencing.
  - We performed analytical review procedures to assess for unusual movements throughout the year.
  - We incorporated data analytics into our testing of revenue recognition. We designed and performed audit procedures to ensure that revenue was recognised in line with contractual terms

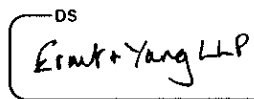
of services provided and included in the correct accounting period. We tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved using data analytics involved testing journals identified by specific risk criteria.

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

### **Use of our report**

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

<sup>DS</sup>  
 Ernst & Young LLP

*Robert Bruce (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
25 September 2023*

**The Collinson Group Limited**  
**Annual report and financial statements**

## **Consolidated Statement of Comprehensive Income**

For the year ended 30 April 2023

	Note	2023 £'000	2022 £'000
Revenue	5	1,144,005	732,674
Cost of sales		(942,335)	(581,154)
<b>Gross profit</b>		<b>201,670</b>	<b>151,520</b>
Administrative expenses		(183,304)	(139,173)
<b>Operating profit</b>		<b>18,366</b>	<b>12,347</b>
Profit on disposal of operations	8	2,225	-
Share of results from joint ventures and associates	16	1,252	(681)
Impairment of investment in joint ventures and associates	16	(1,450)	(3,002)
<b>Profit on ordinary activities before interest</b>		<b>20,393</b>	<b>8,664</b>
Interest receivable and similar income	6	9,688	228
Interest payable and similar charges	7	(8,472)	(5,244)
<b>Profit on ordinary activities before taxation</b>	8	<b>21,609</b>	<b>3,648</b>
Taxation charge	12	(6,117)	(1,028)
<b>Profit for the year</b>		<b>15,492</b>	<b>2,620</b>
<b>Attributable to:</b>			
Owners of the parent		15,121	2,603
Non-controlling interests		371	17
		<b>15,492</b>	<b>2,620</b>
<b>Other comprehensive income:</b>			
Exchange differences on retranslation of foreign operations		(561)	10,607
Exchange differences arising on net investments in foreign operations		(206)	(14,806)
Taxation credit on income and expenses recognised directly in other comprehensive income	12	-	3,702
<b>Other comprehensive loss for the year, net of taxation</b>		<b>(767)</b>	<b>(497)</b>
<b>Total comprehensive income for the year</b>		<b>14,725</b>	<b>2,123</b>
<b>Attributable to:</b>			
Owners of the parent		14,368	1,961
Non-controlling interests		357	162
		<b>14,725</b>	<b>2,123</b>

The notes on pages 32 to 80 are an integral part of these financial statements.

**The Collinson Group Limited****Annual report and financial statements (registered number 11141096)****Consolidated Statement of Financial Position****As at 30 April 2023**

	Note	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Intangible assets	14	7,842	8,776
Property, plant, and equipment	15	23,934	17,411
Investments	16	7,261	5,292
		<b>39,037</b>	<b>31,479</b>
<b>Current assets</b>			
Deposits with credit institutions	17	20,015	4,077
Trade and other receivables	18	471,615	317,661
Cash and cash equivalents	19	188,789	164,928
		<b>680,419</b>	<b>486,666</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	20	(563,068)	(387,008)
<b>Net current assets</b>		<b>117,351</b>	<b>99,658</b>
<b>Total assets less current liabilities</b>		<b>156,388</b>	<b>131,137</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	21	(63,605)	(53,576)
Provision for liabilities	23	(12,667)	(12,151)
<b>Net assets</b>		<b>80,116</b>	<b>65,410</b>
<b>Capital and reserves</b>			
Called up share capital	25	200	200
Retained earnings		78,122	63,754
<b>Equity attributable to the owners of the parent</b>		<b>78,322</b>	<b>63,954</b>
Equity attributable to non-controlling interests		1,794	1,456
<b>Total equity</b>		<b>80,116</b>	<b>65,410</b>

These financial statements were approved by the Board of Directors and authorised for issue on 25 September 2023

DocuSigned by:  
  
58E6624836E7409  
**Colin Evans**  
Director

The notes on pages 32 to 80 are an integral part of these financial statements.

**The Collinson Group Limited**  
**Annual report and financial statements**

## **Consolidated Statement of Changes in Equity**

**For the year ended 30 April 2023**

	Share capital £'000	Retained earnings £'000	Total equity attributable to the owners of the parent £'000	Non- controlling interest £'000	Total £'000
At 1 May 2022	200	63,754	63,954	1,456	65,410
Profit for the year	-	15,121	15,121	371	15,492
Other comprehensive loss for the year	-	(753)	(753)	(14)	(767)
Total comprehensive income for the year	-	14,368	14,368	357	14,725
Dividends paid	-	-	-	(19)	(19)
<b>At 30 April 2023</b>	<b>200</b>	<b>78,122</b>	<b>78,322</b>	<b>1,794</b>	<b>80,116</b>
At 1 May 2021	200	61,813	62,013	1,062	63,075
Profit for the year	-	2,603	2,603	17	2,620
Other comprehensive (loss) income for the year	-	(642)	(642)	145	(497)
Total comprehensive income for the year	-	1,961	1,961	162	2,123
Dividends paid	-	(20)	(20)	-	(20)
Capital injection	-	-	-	232	232
<b>At 30 April 2022</b>	<b>200</b>	<b>63,754</b>	<b>63,954</b>	<b>1,456</b>	<b>65,410</b>

The notes on pages 32 to 80 are an integral part of these financial statements.



**The Collinson Group Limited**  
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## **Consolidated Statement of Cash Flows**

**For the year ended 30 April 2023**

	Note	2023 £'000	2022 £'000
<b>Net cash from operating activities</b>	26	<b>59,946</b>	<b>46,514</b>
Interest received		1,355	23
Taxation paid		(7,415)	(5,405)
Taxation refund		692	4,811
<b>Net cash generated from operating activities</b>		<b>54,578</b>	<b>45,943</b>
<b>Investing activities</b>			
Interest received		149	61
Receipts from forward contracts		653	-
Purchase of intangible assets	14	(4,207)	(1,393)
Purchase of property, plant, and equipment	15	(12,031)	(6,282)
Proceeds from disposal of property, plant, and equipment	15	10	3,042
Purchase of subsidiary (net of cash acquired)		(204)	(72)
Disposal of subsidiaries (net of cash disposed)		2,576	-
Increase in joint ventures, associates and other investments	16	(1,968)	(3,049)
Loans to investees		(3,826)	(4,324)
Dividends received from joint ventures		454	318
Cash (deposited with) withdrawn from credit institutions		(15,938)	8,672
<b>Net cash used in investing activities</b>		<b>(34,332)</b>	<b>(3,027)</b>
<b>Financing activities</b>			
Interest paid		(6,108)	(3,676)
Repayment of revolving credit facility		-	(6,500)
Repayment of other loans		-	(22)
Government grant loans		-	381
Repayments of obligations under finance leases		(58)	(58)
Drawdowns on long-term loan		9,000	58,000
Loan acquisition costs		-	(5,360)
Dividends paid	13	-	(20)
<b>Net cash generated from financing activities</b>		<b>2,834</b>	<b>42,745</b>
<b>Net increase in cash and cash equivalents</b>		<b>23,080</b>	<b>85,661</b>
Cash and cash equivalents at the beginning of the year		<b>164,928</b>	<b>77,656</b>
Effect of foreign exchange rate changes		<b>781</b>	<b>1,611</b>
<b>Cash and cash equivalents at end of the year</b>	19	<b>188,789</b>	<b>164,928</b>

The notes on pages 32 to 80 are an integral part of these financial statements.

**The Collinson Group Limited**  
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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **1 General information**

The Collinson Group Limited ('the Company') is a private company limited by shares and incorporated in the United Kingdom. The address of its registered office and principal place of business is 3 More London Riverside, 5th Floor, London, SE1 2AQ. The Collinson Group Limited is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings (together referred to as 'the Group').

### **2 Statement of compliance**

The consolidated financial statements have been prepared in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), FRS 103 'Insurance contracts' ('FRS 103') and applicable legislation as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

### **3 Accounting policies**

The principal accounting policies applied in the presentation of the consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented.

#### **3.1 Basis of preparation**

The consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The consolidated financial statements have been presented in sterling as this is the Group's principal functional currency and rounded to the nearest thousand.

The preparation of financial statements requires management to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

#### **(i) Going concern**

The consolidated and parent company financial statements have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council ('FRC'). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. Based on that assessment the Directors have a reasonable expectation that the Group has sufficient liquid resources and headroom on financial covenants to continue in operational existence for the period from the date of signing the financial statements to January 2025. In making the assessment, the Directors have considered the principal risks to the Group; the current financial performance; forecasts of future financial performance, future operational and capital expenditure; available financing facilities and associated covenants; and realistic actions available to management to mitigate any downside risks.

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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

In making the going concern assessment the Directors have considered the Group's access to liquidity along with recent financial forecasts and projected liquidity and net debt positions. The Group had access to £91m of liquidity at 30 April 2023 when taking into consideration available cash (which excludes unrestricted funds of our Insurance business) and access to a revolving credit facility. As at August 2023, the Group had £59.6m of liquidity it could access. In addition, the Group had £33m available to it under the Acquisition Facility that can be used to fund strategic investments to support continued growth of the business. Management has modelled a base case representing our current outlook of the future expected performance of the business. This reflects the continued increase in volumes in our Travel Experiences, Airport Dimensions and Insurance businesses as the pace of travel recovery and demand increases and more modest growth across all other divisions. Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants.

As set out in the Strategic Report the Directors consider one of the most significant financial risks to the Group at this time is the risk relating to macroeconomic factors. As such the Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a reduction of lounge visit volumes as well as elevated costs compared to our base case. This reflects the risk of a significant slow-down in travel recovery and weaker travel demand due to the cost-of-living crisis and the related inflationary pressures. Whilst the Directors believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Group are confident it would not breach any of its covenants during the going concern assessment period.

The Directors have also considered a reverse stress test which considers a scenario where a combination of individually plausible adverse macroeconomic factors all materialise concurrently and for a sustained period. The Directors believe that the combination of all such factors happening concurrently, which would be necessary to result in a breach of the financial covenants even after allowing for available management actions, is remote.

Based on the above, the Directors have a reasonable expectation that the Group will continue in operation and *meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to* adopt the going concern basis in preparing the financial statements.

### **3.2 Change in presentation**

Impairments to investments in joint ventures and associates have historically been included within administrative expenses within the consolidated statement of comprehensive income. During the year, the Group concluded that it would be more appropriate to present these on a separate financial statement line item below operating profit, consistent with the presentation of the share of results from associates and joint ventures. Comparative amounts have represented for consistency.

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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

#### **3.3 Basis of consolidation**

The consolidated financial statements incorporate the results of the Company and its subsidiary undertakings, together with the Group's share of the results of jointly controlled entities and associates, for the year ended 30 April 2023.

Subsidiaries are included within the consolidation where the Company has control over such entities, thereby having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to apply the Group's accounting policies when preparing the consolidated financial statements. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

Entities in which the Group holds an interest, and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement are treated as joint ventures in the consolidated financial statements and are accounted for using the equity method. Entities, which are neither subsidiaries nor joint ventures, in which the Group has significant influence are treated as associates in the consolidated financial statements and are accounted for using the equity method.

Any subsidiaries, joint ventures or associates that are acquired or disposed of during the financial year are included up to, or excluded from, the consolidated financial statements from the date that the Company obtains or loses control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### **3.4 Foreign currencies**

##### **(i) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date the transactions took place. Income and expense items are translated using an average exchange rate for the year where there are limited fluctuations in foreign exchange rates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss. Foreign exchange gains and losses that arise on the translation of monetary items that form part of a net investment in a foreign operation are recognised in other comprehensive income and accumulated in equity.

##### **(ii) Translation**

The results of Group undertakings are translated into sterling at the average exchange rate for the year. The assets and liabilities of overseas entities are translated at the exchange rates ruling at the year end and exchange differences arising on retranslation are recognised in other comprehensive income.

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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

#### **3.4 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods and the rendering of services in the normal course of business, net of discounts and other sales-related taxes. When the outcome of a transaction involving the rendering of services can be estimated reliably, the Group recognises revenue associated with the transaction by reference to the stage of completion of the transaction at the end of the reporting year. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Group; (c) the stage of completion of the transaction at the end of the reporting year can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Group recognises income from the provision of its principal services as set out below:

- (i) Revenue from lounge visits is recognised at the point in time when the visit occurs;
- (ii) Membership fees provide benefits to the customer evenly throughout the membership period. Consequently, revenue from membership fees is recognised on a straight-line basis over the membership term;
- (iii) Revenue from providing COVID testing services is recognised at the point in time when the testing service is provided;
- (iv) Project revenue is recognised based on the level of work that has been performed to date under the project; thereby reflecting the progress of the project and the value of the work performed;
- (v) Platform fee revenue is recognised in the period to which the fee relates based on when the associated platforms are utilised;
- (vi) Loyalty commissions are earned on customer transactions with 3<sup>rd</sup> party merchants. The commission revenue is recognised at the point in time when the underlying sale occurs;
- (vii) Insurance mediation and administration fee income for services provided to underwriters is recognised over the period in which the service is rendered. Profit commissions on insurance mediation contracts are recognised in the period it is earned. Commission is determined with reference to the profitability of the underlying business contracted; and
- (viii) Insurance contract premium is recognised as described in note 3.17.

#### **3.5 Network commissions payable**

The Group sells its Travel Experiences products through a number of channels including large credit card networks. Where these products are sold through credit card networks the Group consider it is the principal in the arrangement, as it has the primary responsibility to deliver the products to the end customers where this entitlement has been secured by way of the credit card networks. The incentives provided to the credit card networks, based on the volumes of memberships and lounge visits sold by the Group, are recognised as a commission to the credit card networks for the volume of business they bring and are recorded in cost of sales.

#### **3.6 Interest receivable and interest payable**

Interest income is recognised as it accrues, using the effective interest rate method. Interest payable on loans is calculated using the effective interest rate method.

**The Collinson Group Limited**  
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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

#### **3.7 Taxation**

Taxation expense for the year comprises current and deferred taxation. Current taxation is recognised for the amount of income taxation payable in respect of the taxable profit for the current or past reporting periods using the taxation rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred taxation is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future give rise to a deferred taxation liability or asset respectively. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in taxable assessments in years different from those in which they are recognised in the financial statements.

Deferred taxation is recognised when income or expenses from an interest in a joint venture have been recognised in the financial statements, and will be assessed to or allowed for taxation in a future period, except where: (a) the Company is able to control the reversal of the timing difference; and (b) it is probable that the timing difference will not reverse in the foreseeable future.

Deferred taxation is measured using the taxation rates and laws that have been enacted, or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The taxation expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income taxation assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **3.8 Business combinations and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages, the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at the estimated amount where the consideration is probable and can be measured reliably. Where the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable, or contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, including separately identifiable intangible assets, liabilities, and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities. Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

Goodwill recognised represents the excess of the consideration and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is amortised over its expected useful life (see note 3.9). Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged immediately to profit or loss.

**The Collinson Group Limited**  
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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

#### **3.9 Intangible assets**

Intangible assets acquired separately from a business are initially recognised at cost, being the purchase price plus any directly attributable costs. Intangible assets acquired as part of a business combination are measured at fair value. Subsequent to initial recognition, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Intangible assets are tested for impairment where indication of impairment exists at the reporting date, and any impairment is charged immediately to profit or loss.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale;
- The intention to complete the software and use or sell it;
- The ability to use the software or to sell it;
- How the software will generate probable future economic benefits;
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the software; and
- The ability to measure reliably the expenditure attributable to the software during its development.

Other development costs that do not meet these criteria are recognised as an expense as incurred.

Amortisation is charged on a straight-line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

Goodwill	5-10 years
Software Development costs	3-10 years
Acquired software	3-10 years

#### **3.10 Property, plant, and equipment**

Property, plant, and equipment are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is charged to administrative expenses in profit or loss, so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life using a straight-line basis as follows:

Leasehold improvements	Shorter of useful economic life or remaining lease term
Computer equipment	2-3 years
Furniture, Fittings and Equipment	5 years
Motor vehicles	4 years

Property, plant, and equipment are tested for impairment where indication of impairment exists at the reporting date, and any impairment is charged immediately to profit or loss.

#### **3.11 Investments**

##### **(i) Investments in joint ventures and associated undertakings**

Investments in joint ventures and associated undertakings are held at cost less accumulated impairment losses. On acquisition of joint ventures and associated undertakings the Group accounts for any difference between the cost of acquisition and the share of fair value of net identifiable assets as goodwill, which is subsequently amortised over an appropriate timeframe.

##### **(ii) Investments in subsidiary companies**

Investments in subsidiary companies in the Company's separate financial statements are stated at cost less accumulated impairment losses.

**The Collinson Group Limited**  
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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

#### **3.12 Leases**

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Finance leases are capitalised at commencement of the lease as assets at the lower of the fair value of the leased asset or the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Finance leased assets are depreciated over the shorter of the lease term and the estimated useful life of the assets. The capital element of finance lease obligations is recorded as a liability on inception of the arrangement and payments under finance lease arrangements are apportioned between capital repayment and interest charge, using the effective interest rate method.

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

#### **3.13 Impairment of non-financial assets**

At each reporting date or where events transpire, the Group reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss in administrative expenses. An impairment loss recognised for all assets, excluding goodwill, is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses recognised on goodwill are not reversed in subsequent years.

#### **3.14 Financial instruments**

The Group has chosen to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' in full. The Group holds basic financial instruments, which comprise investments, cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings; and non-basic financial instruments, which comprise derivative instruments.

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Where a financial asset or financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

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



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## **Notes to the Consolidated Financial Statements**

**For the year ended 30 April 2023**

### **Accounting policies (continued)**

#### **3.14 Financial instruments (continued)**

##### **Financial assets – classified as basic financial instruments**

###### **(i) Deposits with credit institutions**

Deposits with credit institutions are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

###### **(ii) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held with banks, credit card receivables and other short-term highly liquid investments that are subject to an insignificant risk of change in value and have original maturities of three months or less, such as investments with financial institutions and money market funds.

###### **(iii) Trade and other receivables**

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Group assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

##### **Financial liabilities – classified as basic financial instruments**

###### **(i) Trade and other payables**

Trade and other payables are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

###### **(ii) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

##### **Derivative instruments – classified as non-basic financial instruments**

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates primarily on US dollar and Euro denominated cash flows. Derivative financial instruments are initially measured at fair value at the date at which a derivative contract is entered into and are subsequent measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward foreign currency contracts is calculated by reference to forward exchange rates derived from market sourced data at the balance sheet date.

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### **Accounting policies (continued)**

#### **3.15 Provisions**

A provision is recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that the obligation will be settled, and when that obligation can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

#### **3.16 Retirement benefits**

The Group operates a defined contribution pension plan for its employees. Contributions to the defined contribution pension plan are recognised as an expense when they are due. Obligations not paid are included within accrued expenses in the balance sheet. The assets of the plan are held separately from the Group in an independently administered fund.

#### **3.17 Insurance contracts**

##### **Premiums written**

Premiums written relate to business inception during the year and due for payment, together with any differences between booked premiums for prior years and those previously accrued and include estimates of premiums due but not yet receivable or notified, less an allowance for cancellation. Written premiums exclude taxes or duties levied with premiums. Written premiums are reported gross of any commission payable to intermediaries, regardless of how that commission is remitted, reflecting the contractual arrangements in force.

##### **Unearned premiums**

Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis, or on the risk profile of the underlying contract.

##### **Deferred acquisition costs**

The Group's acquisition costs comprise commissions payable and other related expenses and are deferred over the period to which the related premiums are earned.

##### **Claims incurred**

Claims incurred comprise claims and related expense paid in the year and changes in the provision for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any other adjustments to claims from previous years.

##### **Claims provisions and related reinsurance recoveries**

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Group. The estimated cost of claims includes expenses to be incurred in settling claims. In calculating the estimated cost of unpaid claims, the Group uses a variety of estimation techniques, generally based on statistical analysis of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared to the cost of previously settled claims. A component of these estimation techniques is usually the estimated cost of notified but not paid claims. Large claims are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims. Provisions are calculated gross of any reinsurance recoveries.

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### **Accounting policies (continued)**

#### **3.17 Insurance contracts (continued)**

##### **Reinsurance**

As part of the normal course of business, the Group enters into reinsurance contracts under which the Group is compensated for losses on insurance contracts issued by the Group. The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within insurance receivables), as well as receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts (classified within reinsurers' share of technical provisions in other receivables). Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities (classified within insurance payables) are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

#### **4 Critical accounting judgements and key sources of estimation uncertainty**

Judgements, estimates, and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

##### **4.1 Critical judgements in applying the Group's accounting policies**

The critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements are discussed below.

##### **(i) Impairment of assets**

Management have assessed individual assets for indicators of impairment and indicators that impairments previously recognised should be reversed. Judgement has been used in assessing external and internal sources of information to determine if there are indicators of impairment or reversals of previously recognised impairments and if so whether the carrying value of assets can be supported by the net present value of future cash flows that they are expected to generate. Details of the indicators that led management to determine impairments and reversals of previously recognised impairments in property, plant and equipment and intangible assets are included within note 14 and 15 respectively. Details of the indicators that led management to determine an impairment in investments are included within note 16.

##### **(ii) Provisions for indirect taxes**

In respect of certain tax jurisdictions management has considered whether there is a present obligation to pay indirect taxes and associated charges and where such is the case whether it was probable that the obligation would be settled and whether the amount could be reasonably estimated. Based on its review of the associated tax legislation management believe there is an obligation to pay indirect taxes in certain jurisdictions, however the amounts are uncertain until a conclusion has been reached with the relevant tax authority or through a legal process. Management has performed a reasonable estimate based on enacted tax rates and business activity in the regions impacted and the resulting indirect tax provisions are included within note 23.

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### **4 Critical accounting judgements and key sources of estimation uncertainty continued**

#### **4.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **(i) Determining insurance contract liabilities**

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position. Further details on the recognition of insurance contract liabilities are set out in note 36 to the consolidated financial statements.

##### **(ii) Estimation of useful life**

The depreciation charge for property, plant and equipment and amortisation charge for intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful life and residual values of assets are reviewed annually by management and have been amended as appropriate to reflect management's current estimate of economic utilisation and for property, plant and equipment, the physical condition of the assets. Refer to notes 3.9 and 3.10 for the useful economic lives for each class of assets.

##### **(iii) Recoverability of receivables**

Management have estimated the recoverable value of trade receivables and recognised a provision for amounts that are estimated to not be recoverable. In assessing recoverability management has considered, the aging of the receivables, past experience of recoverability, recent payment behaviour, the credit profile of individual or groups of customers and expected or actual insolvency filings. The assessment is inherently subjective given the forward-looking nature. Refer to note 18 for the carrying value of receivables.

##### **(iv) Tax losses**

The origin of the recently incurred tax losses relate to one-off issues such as reduced travel as a result of the pandemic and foreign exchange movements. The Group expects profitability to return to pre-pandemic levels in the forecast period and expects to use the recognised losses over the next three years.

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### **5 Revenue**

An analysis of the Group's revenue by class and category of business is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Rendering of services	<b>912,100</b>	641,538
Commissions	<b>3,334</b>	11,573
Gross earned premiums (note 36.2)	<b>228,571</b>	79,563
	<b>1,144,005</b>	732,674

An analysis of the Group's revenue by geographical market based on destination is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	<b>239,102</b>	186,403
Rest of Europe and Middle East	<b>156,292</b>	153,005
North and South America	<b>644,432</b>	350,818
Asia Pacific	<b>95,770</b>	40,320
Africa	<b>8,409</b>	2,128
	<b>1,144,005</b>	732,674

### **6 Interest receivable and similar income**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable on cash and cash equivalents	<b>1,330</b>	22
Interest receivable on deposits with credit institutions	<b>521</b>	16
Other interest receivable	<b>479</b>	190
Gain on derivative financial instruments measured at fair value through profit or loss	<b>7,358</b>	-
	<b>9,688</b>	228

### **7 Interest payable and similar charges**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable on bank loans and overdrafts	<b>128</b>	428
Interest payable on other loans	<b>7,253</b>	4,704
Other interest payable	<b>137</b>	111
Finance lease charges (note 22)	-	1
Loss on derivative financial instruments measured at fair value through profit or loss	<b>954</b>	-
	<b>8,472</b>	5,244

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### 8 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2023	2022
	£'000	£'000
Amortisation of intangible assets	2,670	2,826
Impairment charge on intangible assets	2,492	-
Depreciation of property, plant, and equipment	5,588	5,031
Reversal of impairment charge on property, plant, and equipment	(413)	1,623
Impairment charge on other receivables	1,723	1,837
Impairment charge on inventories	-	460
Income from government support schemes <sup>(a)</sup>	-	(3,927)
Profit on sale of subsidiary <sup>(b)</sup>	(2,225)	-
Operating lease rentals	11,416	8,972
Foreign exchange loss (gain)	5,184	(10,287)

- a) Income from government support schemes in FY22 related to income from government grants and other subsidies in response to the COVID-19 pandemic, including the extinguishment of US government loans and qualifying credits. No such amounts were received in FY23 due to the cessation of schemes.
- b) On 1st November 2022, the Board completed the sale of corporate medical assistance activities comprising the entire issued share capital of Collinson Assistance Services Limited and Intana Global Limited (together "Assistance") to Crisis24. The Group received cash consideration of £5.5m. The net assets at the date of disposal were £3.2m and a profit of £2.2m was recognised in the consolidated statement of comprehensive income.

### 9 Auditor remuneration

The total remuneration of the Group's auditor, for services provided to the Group is analysed as follows:

	2023	2022
	£'000	£'000
Parent company	686	317
Subsidiaries	916	1,718
<b>Audit fees</b>	<b>1,602</b>	<b>2,035</b>
Audit-related assurance services	72	66
<b>Non-audit fees</b>	<b>72</b>	<b>66</b>
<b>Total remuneration</b>	<b>1,674</b>	<b>2,101</b>

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### **10 Staff costs**

The average monthly number of employees (including executive directors) was:

	<b>2023</b>	<b>2022</b>
Production	<b>570</b>	551
Sales and marketing	<b>143</b>	161
Administration	<b>1,091</b>	1,032
	<b>1,804</b>	1,744

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>102,343</b>	96,366
Social security costs	<b>9,672</b>	8,924
Other pension costs	<b>4,296</b>	4,069
	<b>116,311</b>	109,359

### **11 Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments	<b>2,294</b>	2,304
Pension scheme contributions	<b>3</b>	3
	<b>2,297</b>	2,307

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Remuneration of the highest paid director:</b>		
Emoluments	<b>761</b>	639
Pension scheme contributions	<b>-</b>	-
	<b>761</b>	639

There are nil (2022: nil) directors accruing benefits under money purchase schemes.

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### **12 Taxation on profit or loss on ordinary activities**

The taxation charge comprises:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current taxation on profit or loss on ordinary activities</b>		
UK corporation taxation	-	245
Adjustments in respect of prior years - UK	8	89
Overseas corporation taxation	9,938	4,755
Adjustment in respect of prior years - Overseas	(218)	411
<b>Total current taxation</b>	<b>9,728</b>	<b>5,500</b>
<b>Deferred taxation:</b>		
Origination and reversal of timing differences	(2,685)	(5,313)
Rate changes	(1,129)	-
Adjustments in respect of prior years	203	841
<b>Total deferred taxation</b>	<b>(3,611)</b>	<b>(4,472)</b>
<b>Total taxation charge on profit or loss on ordinary activities</b>	<b>6,117</b>	<b>1,028</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Tax credit included in other comprehensive income</b>		
In respect of exchange differences on net investment in foreign operations	-	-
<b>Total current taxation</b>	<b>-</b>	<b>-</b>
In respect of exchange differences on net investment in foreign operations	-	(2,813)
Effect of increased tax rate on deferred tax balance	-	(889)
<b>Total deferred taxation</b>	<b>-</b>	<b>(3,702)</b>
<b>Total tax credit included in other comprehensive income</b>	<b>-</b>	<b>(3,702)</b>



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### 12 Taxation on profit or loss on ordinary activities (continued)

The taxation charge on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19.5% (2022: 19%). In 2022, the taxation charge on the loss on ordinary activities for the year was higher than the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:

	2023 £'000	2022 £'000
Profit on ordinary activities before taxation	21,609	3,648
Income tax calculated at 19.5% (2022: 19%)	4,214	693
Expenses not deductible for tax purposes	2,690	1,457
Impact of previously unrecognised capital allowances in excess of depreciation and tax rate changes	(32)	(753)
Income not subject to tax	(997)	(723)
Adjustment in respect of prior years	(7)	1,341
Branch, withholding taxes, local, state, trade and similar taxes	1,335	545
Excess of overseas tax over UK corporation tax	788	369
Recognition, derecognition and utilisation of tax losses	(1,278)	(1,975)
Losses carried forward on which deferred tax has not been recognised	1,090	-
Impact of other timing differences on which deferred tax has not been recognised	27	107
Tax rate changes	(1,129)	-
Difference in tax rate between deferred and current tax	(256)	-
Other	(328)	-
US AMT tax credit receivable	-	(33)
<b>Taxation expense for year</b>	<b>6,117</b>	<b>1,028</b>

No deferred tax asset has been recognised in respect of unutilised tax losses and other temporary differences amounting to £96.0m and £2.7m respectively (2022: £109.6m and £3m). Relief for these losses will only be obtained if there is suitable taxable income arising in future years.

#### Factors affecting the tax charge

The Finance Act 2021, enacted on 10 June 2021, included an increase in the corporate tax rate from 19% to 25%, effective from 1 April 2023. The deferred tax assets and liabilities have been measured at the enacted rate that is expected to apply when the asset is realised or the liability is settled.

### 13 Dividends

Amounts recognised as distributions to equity holders in the year:

	2023 £'000	2022 £'000
Dividends paid in year	-	20

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### 14 Intangible assets

	Goodwill	Software	Total
	£'000	£'000	£'000
<b>Cost</b>			
At beginning of year	4,538	26,183	30,721
Additions	163	4,208	4,371
Disposals	(876)	(271)	(1,147)
Foreign exchange	-	233	233
<b>At end of year</b>	<b>3,825</b>	<b>30,353</b>	<b>34,178</b>
<b>Amortisation</b>			
At beginning of year	(3,827)	(18,118)	(21,945)
Amortisation charge	(140)	(2,530)	(2,670)
Impairment charge	-	(2,492)	(2,492)
Disposals	657	271	928
Foreign exchange	-	(157)	(157)
<b>At end of year</b>	<b>(3,310)</b>	<b>(23,026)</b>	<b>(26,336)</b>
<b>Net book value</b>			
<b>At 30 April 2023</b>	<b>515</b>	<b>7,327</b>	<b>7,842</b>
<b>At 30 April 2022</b>	<b>711</b>	<b>8,065</b>	<b>8,776</b>

Additions in software primarily relate to the development and implementation of data and reporting tools within the Insurance division. A provision for an impairment loss of £2.5m has been recognised in administrative expenses for software, which primarily relates to software used to handle corporate medical assistance claims in the Assistance business. The software was fully impaired when the business was sold on 1 November 2022.

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**15 Property, plant, and equipment**

	Leasehold improvements £'000	Computer equipment £'000	Fixtures, fittings, and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At beginning of year	30,827	4,370	7,149	81	42,427
Additions	11,094	667	270	-	12,031
Disposals	(610)	(538)	(189)	-	(1,337)
Foreign exchange	(453)	(35)	(22)	-	(510)
<b>At end of year</b>	<b>40,858</b>	<b>4,464</b>	<b>7,208</b>	<b>81</b>	<b>52,611</b>
<b>Depreciation</b>					
At beginning of year	(16,039)	(3,683)	(5,252)	(42)	(25,016)
Depreciation charge	(4,086)	(526)	(956)	(20)	(5,588)
Reversal of impairment	413	-	-	-	413
Disposals	609	530	180	-	1,319
Foreign exchange	146	16	33	-	195
<b>At end of year</b>	<b>(18,957)</b>	<b>(3,663)</b>	<b>(5,995)</b>	<b>(62)</b>	<b>(28,677)</b>
<b>Net book value</b>					
<b>At 30 April 2023</b>	<b>21,901</b>	<b>801</b>	<b>1,213</b>	<b>19</b>	<b>23,934</b>
<b>At 30 April 2022</b>	<b>14,788</b>	<b>687</b>	<b>1,897</b>	<b>39</b>	<b>17,411</b>

Additions to leasehold improvements relate to development of new airport lounges and remodelling of existing airport lounges. The impairment reversal in leasehold improvements of £0.4m has been recognised in administrative expenses. The previously recognised impairment, relating to one of the Group's airport lounges, has been reversed as there has been an improvement in guest volumes due to an increase in flights serving the airport in which the lounge was located.

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### 16 Investments

	Joint ventures <sup>(a)</sup> £'000	Associates <sup>(b)</sup> £'000	Other investments £'000	Total £'000
<b>Cost</b>				
As at 1 May 2022	3,973	-	1,319	5,292
Additions	957	1,587	136	2,680
Profit/(loss) for the year	1,355	(33)	-	1,322
Goodwill amortisation	(70)	-	-	(70)
Dividends received	(454)	-	-	(454)
Impairment	-	(1,450)	-	(1,450)
Foreign exchange	(55)	(4)	-	(59)
<b>As at 30 April 2023</b>	<b>5,706</b>	<b>100</b>	<b>1,455</b>	<b>7,261</b>

Transactions with participating interest undertakings are disclosed in note 32.

- (a) Additions to joint ventures principally relates to the non-cash conversion of a loan note to equity (£0.7m) associated with a joint venture agreement for the operation and management of airport lounges in Brazil.
- (b) Additions to associates primarily relates to a £1.4m non-cash conversion of a loan note to equity during the year in Cursus Technologies Inc., a US company specialising in food and beverage. An impairment of £1.5m (2022: £2.8m) has been recognised in respect of associates following changes in consumer demand.

### 17 Deposits with credit institutions

	2023 £'000	2022 £'000
Deposits with credit institutions	20,015	4,077

Deposits with credit institutions consist of deposits held with various credit institutions with maturities of between three months and one year. These deposits earn interest at a rate between 2.1% and 4.45% (2022: 0.44%) per annum.

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### 18 Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	130,056	97,886
Receivables arising out of direct insurance operations (note 36.1)	72,048	54,426
Receivables arising out of reinsurance operations (note 36.1)	7,908	377
Other receivables <sup>(a)</sup>	132,779	77,941
Amounts receivable from parent	204	204
Amounts receivable from participating interest undertakings <sup>(b)</sup>	5,079	4,939
Derivative financial instruments	5,751	-
Corporation taxation	3,231	3,256
Prepayments and accrued income	97,449	64,465
Deferred taxation	17,110	14,167
	<b>471,615</b>	<b>317,661</b>

Trade and other receivables includes amounts falling due after more than one year of £20.7m (2022: £21.9m).

- (a) Other receivables include £104.6m (2022: £54.7m) relating to reinsurers share of technical provisions (see note 36.1) and amounts of £5.2m (2022: £4.0m) for security deposits the Group has paid as part of a strategic partnership the Group is party to where the costs are fully reimbursed to the Group and a corresponding liability is included within other creditors within note 20.
- (b) Information on amounts receivable from participating interest undertakings is included in note 32 related party transactions.

### 19 Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	76,856	154,899
Money market funds	111,933	-
Short term deposits	-	10,029
	<b>188,789</b>	<b>164,928</b>
Own funds	155,748	126,986
Fiduciary funds	33,041	37,942
	<b>188,789</b>	<b>164,928</b>

Fiduciary funds include amounts held on behalf of clients. Corresponding liabilities are included within other creditors in note 20.

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**20 Creditors: amount falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>58,769</b>	86,460
Payables arising out of direct insurance operations (note 36.1)	<b>32,665</b>	21,177
Payables arising out of reinsurance operations (note 36.1)	<b>67,190</b>	27,869
Other creditors	<b>60,786</b>	31,226
Obligations under finance leases	<b>-</b>	58
Claims payable (note 36.1)	<b>32,246</b>	13,083
Social security and other taxes	<b>5,858</b>	7,004
Accruals and deferred income	<b>299,960</b>	196,133
Corporation taxation	<b>4,304</b>	1,864
Deferred taxation	<b>1,290</b>	2,134
	<b>563,068</b>	387,008

**21 Creditors: amount falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank and other loans	<b>63,605</b>	53,533
Other creditors	<b>-</b>	43
	<b>63,605</b>	53,576

Bank and other loans include amounts owed under a five-year financing arrangement that the Group entered into in FY22. The financing arrangement comprises a Term Loan of up to £50m and an Acquisition Facility of up to £50m. The Acquisition Facility is available to draw on until 1 July 2024 and the repayment date of both the Term Loan and the Acquisition Facility is July 2026. The terms of the agreement required that the Term Loan be fully drawn on entering the arrangement. At 30 April 2023, £17m (2022: £8m) was drawn under the Acquisition Facility. Both loans are charged at SONIA plus a margin of 6.25%. A commitment fee based on 35% of the applicable margin is payable on the unused portion of the Acquisition Facility. After 31 July 2023, the margin ranges from 5.75% to 6.25% depending on the financial condition of the Group.

In August 2022 certain terms under the agreement were renegotiated as a mitigation against any potential downside impact of the Russia-Ukraine conflict. This introduced a quarterly EBITDA requirement that was effective from October-22 to April-23, and limited borrowings under the Acquisition Facility to £30m up to 31 January 2023. The financial conditions were reported on through quarterly compliance certificates effective from this date. The Group also reports its liquidity to the lenders on a monthly basis. The Group was compliant with all conditions under the agreement throughout FY23.

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### 22 Loans and borrowings

Maturity of debt:

	Bank loans £'000	Other loans £'000	Total £'000
<b>2023</b>			
In more than one year but not more than five years	-	63,605	63,305
	-	<b>63,305</b>	<b>63,305</b>
<b>2022</b>			
In more than one year but not more than five years	-	53,533	53,533
	-	<b>53,533</b>	<b>53,533</b>

There are £nil amounts due within one year or less (2022: £nil)

Total of Group future minimum lease payments under finance leases:

	2023 £'000	2022 £'000
<b>Finance Leases</b>		
Not later than one year	-	58
Later than one year and not later than five years	-	-
Later than five years	-	-
Total gross payments	-	58
Less: finance charges	-	(1)
<b>Carrying amount of the liability</b>	-	<b>57</b>

The finance lease relates to fixtures, fittings, and equipment. The lease term ended during April 2023, therefore the assets are owned by the Group at 30 April 2023.

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### 23 Provisions for liabilities

	Long term employee benefits £'000	Dilapidation provision £'000	Other taxes provision £'000	Onerous lease provision £'000	Total £'000
At beginning of year	980	506	10,393	272	12,151
Additions	173	70	1,936	-	2,179
Amounts utilised	(249)	(62)	(1,737)	-	(2,048)
Amounts reclassified during the year	-	-	2,894	-	2,894
Unused amounts reversed during the year	-	(65)	(2,165)	(272)	(2,502)
Foreign exchange	(2)	(3)	(2)	-	(7)
<b>At end of year</b>	<b>902</b>	<b>446</b>	<b>11,319</b>	<b>-</b>	<b>12,667</b>

**Long term employee benefits:** In certain overseas jurisdictions of the Group, employees are legally entitled to end of service payments or paid leave after completing a certain length of qualifying service. Uncertainty around the amount and timing of future outflows arises as a result of variations in employee retention rates, which may vary based on historical experience.

**Dilapidation provision:** As part of the Group's tenancy agreements for its principal offices there is an obligation to restore properties to their original state at the end of the tenancy agreement. The provision is expected to be utilised between June 2023 and May 2025 when the tenancy agreements terminate. The reduction in FY23 was due to the tenancy agreement expiring for one of the Group's offices.

**Other taxes provision:** A VAT provision of £2.0m (2022: £4.8m) relates to an estimate of amounts payable to tax authorities in individual Member States of the EU following Brexit. The provision is expected to be fully utilised by April 2024, but timing is uncertain and dependent on completion of VAT registration within the relevant Member States. Amounts of £2.2m reversed during the year relate to a reclassification to accruals due to there being certainty around the timing and amount of VAT payable. A provision of £9.3m (2022: £8.5m) has been made for other indirect taxes, which relates to estimates of potential liabilities for indirect taxes in certain territories. In FY22, £2.9m of the indirect taxes provision was recognised in accruals. This has been reclassified to provisions in the current year given the amount and timing is uncertain.

**Onerous lease provision:** During FY22, a provision was raised to reflect the underutilisation of one of the Group's airport lounge due to a decline in passenger volumes. Following a recovery of passenger volumes in FY23 the provision was no longer required and has been reversed.



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### 24 Deferred taxation

	Unutilised tax losses £'000	Capital allowances £'000	Provisions & other timing differences £'000	Fair value adjustments £'000	Goodwill £'000	Total £'000
At beginning of year	9,364	(189)	3,223	(408)	43	12,033
Charged in year	1,271	154	1,262	15	(17)	2,685
Prior year adjustment	173	5	(382)	-	-	(204)
Rate changes	577	597	(33)	(11)	(1)	1,129
Foreign exchange	80	(3)	99	1	-	177
At end of year	<b>11,465</b>	<b>564</b>	<b>4,169</b>	<b>(403)</b>	<b>25</b>	<b>15,820</b>
Comprising of:						
Deferred taxation assets	11,465	1,300	4,320	-	25	17,110
Deferred taxation liabilities	-	(736)	(151)	(403)	-	(1,290)
	<b>11,465</b>	<b>564</b>	<b>4,169</b>	<b>(403)</b>	<b>25</b>	<b>15,820</b>

No deferred tax asset has been recognised in respect of unutilised tax losses and other temporary differences amounting to £96.0m and £2.7m respectively (2022: £109.6m and £3m). Relief for these losses will only be obtained if there is suitable taxable income arising in future years.

The Group has made use of a legally enforceable right to set off current taxation assets against current taxation liabilities, and deferred taxation assets and deferred taxation liabilities, relating to income taxes levied by the same taxation authority. Deferred taxes are presented on a net basis in the statement of financial position.

The Group expects deferred tax assets of £4.6m to reverse in 2024 as losses are utilised and capital allowance pools reduce.

### 25 Share capital

Ordinary shares of £1 each	2023	2022
	£'000	£'000
<b>Allotted, called-up and fully paid</b>		
200 ordinary share of £1 each	<b>200</b>	200

The Company has one class of ordinary shares; each share carries one voting right per share with no right to fixed income.

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## Notes to the Consolidated Financial Statements

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### 26 Notes to the cash flow statement

	2023 £'000	2022 £'000
<b>Profit after taxation</b>	<b>15,492</b>	<b>2,620</b>
Adjustments for:		
Taxation	6,117	1,028
Interest receivable and similar income	(9,688)	(228)
Interest payable and similar charges	8,472	5,244
Profit from joint ventures	(1,285)	(346)
Loss from associates	33	1,027
Profit from disposal of operations	(2,225)	-
Impairment of investments in joint ventures	-	193
Impairment of investments in associates	1,450	2,809
<b>Operating profit</b>	<b>18,366</b>	<b>12,347</b>
Amortisation of intangible assets	2,670	2,826
Impairment of intangible assets	2,490	-
Depreciation of property, plant, and equipment	5,588	5,031
Loss on disposal of property, plant, and equipment	4	1
Impairment of property, plant and equipment	(398)	1,623
Unrealised foreign exchange gain	(634)	(7,440)
Provisions utilised	(2,113)	(50)
Working capital movements:		
- Increase in trade and other receivables	(144,024)	(141,110)
- Increase in trade and other payables	175,030	162,994
- Increase in provisions for liabilities	2,967	10,292
<b>Net cash from operating activities</b>	<b>59,946</b>	<b>46,514</b>

### 27 Net debt reconciliation

	At beginning of year £'000	Cash flows £'000	Changes in market value and exchange rates £'000	Acquisition & disposal of subsidiary £'000	Other non- cash changes £'000	At end of year £'000
Cash and cash equivalents	164,928	20,708	781	2,372	-	188,789
Deposits with credit institutions	4,077	15,938	-	-	-	20,015
Loans and borrowings	(53,533)	(9,000)	-	-	(1,072)	(63,605)
Finance leases	(58)	58	-	-	-	-
<b>Net debt</b>	<b>115,414</b>	<b>27,704</b>	<b>781</b>	<b>2,372</b>	<b>(1,072)</b>	<b>145,199</b>

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## **Notes to the Consolidated Financial Statements**

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### **28 Commitments**

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

	<b>Land and buildings</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	<b>31,591</b>	16,350
Later than one year and not later than five years	<b>129,075</b>	74,541
Later than five years	<b>164,327</b>	106,784
<b>Total future minimum lease payments</b>	<b>324,993</b>	197,675

Of the total future minimum lease payments, £256.2m relate to lease arrangements entered into as part of a strategic partnership and contract the Group is party to, under which the lease and other associated costs are fully reimbursed to the Group.

The Group had capital commitments associated with development of airport lounges totalling £57.5m at 30 April 2023 (2022: £15.5m). Of the capital commitments, £50.0m relate to capital improvement obligations that are part of a strategic partnership and contract the Group is party to, under which the capital costs associated with the development of airport lounges is fully reimbursed to the Group.

### **29 Contingent liabilities**

There is a fixed and floating charge over all assets of the Group whereby the Group guarantees all amounts due to Kroll Trustee Services Limited who are the agents representing the lenders of our Term Loan and Acquisition Facility. As at the reporting date the amount due to Kroll Trustee Services Limited by certain Group companies was £67m (2022: £58m).

### **30 Off-balance sheet arrangements**

The Group has operating leases for land and buildings. The commitments under these arrangements are disclosed in note 28. There are no other off-balance sheet arrangements.

### **31 Post-retirement benefits**

The Group operates a defined contribution pension plan for its UK employees. The pension cost charged represents contributions payable by the Group and amounted to £4.3m (2022: £4.0m). Contributions amounting to £0.4m (2022: £0.4m) were outstanding at the reporting date.

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### 32 Related party transactions

Transactions between subsidiary companies have been fully eliminated on consolidation and are not disclosed in this note. Transactions with other related parties that were entered into during the year, and the balances outstanding at 30 April are as listed below.

#### Trading transactions

	Purchase of services		Trade receivable (payable) at 30 April	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Joint ventures	21,020	5,654	(1,457)	(624)
Associated undertakings	-	-	-	-
Minority interest entities	9,667	5,109	(430)	(296)

#### Financing transactions

	Loans <sup>(a)</sup>		Loan receivable at 30 April <sup>(1)</sup>	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Joint ventures	655	3,760	5,118	4,939
Associated undertakings	1,843	554	2,573	1,052
Minority interest entities	-	-	714	721

<sup>(a)</sup> Loans to participating interest undertakings are unsecured and are disclosed in note 18. Interest that has not been paid at 30 April is included in the loan receivable. Loans to joint ventures includes amounts of £4.5m (2022: £4.2m) that are due after more than one year. Loans of £2.4m (2022: £1.1m) to associated undertakings were impaired at 30 April.

#### Other transactions

During the year, £nil investments (2022: £1.4m) were made into subsidiaries that are not wholly owned by the Group. These are fully eliminated within these consolidated financial statements. Investments into joint ventures and associated undertakings are disclosed in note 16. Distributions from joint ventures and associated undertakings are included in the consolidated statement of cashflows. In addition, during the year amounts of £0.4m (2022: £0.6m) were paid on behalf of associated undertakings. At 30 April 2023, £0.4m was outstanding (2022: £1.3m), this was fully impaired at 30 April 2023.

### 33 Key management personnel

The Directors consider the key management personnel of the Group to be the Board of Directors and the executive management committee. During the year the total remuneration of the key management personnel was £7.2m (2022: £7.7m).

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### **34 Parent undertaking and ultimate controlling party**

The ultimate parent undertaking is Parminder Limited, a company incorporated in the Isle of Man. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Parminder Investment Limited, incorporated in the United Kingdom. Copies of the consolidated financial statements of Parminder Investment Limited can be obtained from the company secretary at 3 More London Riverside, 5th Floor, London, SE1 2AQ.

The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

### **35 Post balance sheet events**

There are no post balance sheet events requiring disclosure.

### **36 Insurance contracts**

The Group enters into insurance contracts as part of its activities through its wholly owned subsidiaries Astrenska Insurance Limited (AIL) and Collinson Insurance Europe Limited (CIEL) referred to collectively as the 'insurance companies'. As such the Group is required to apply the provisions of FRS 103 'Insurance Contracts' and the provisions of FRS 102 Section 34 'Specialised Activities' in relation to the financial instruments of the insurance companies within the Group. The following section is compliant with these requirements for the relevant items included within the consolidated financial statements. Where appropriate intercompany transactions between the insurance companies have been eliminated; intercompany transactions between the insurance companies and other group companies are separately disclosed in the notes that follow and are fully eliminated within the consolidated financial statements.

Since March 2019, EU schemes previously written in AIL are now being renewed in Collinson Insurance Europe Limited (CIEL), this follows the decision of the UK to exit the EU and enable the Group to continue to utilise the passporting regime to cover our EEA clients and customers.

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## Notes to the Consolidated Financial Statements

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### 36 Insurance contracts (continued)

#### 36.1 Summary results

A summary of the results arising from insurance contracts included within the consolidated financial statements is set out below:

	2023 £'000	2022 £'000
Gross premiums written	260,317	123,201
Earned premiums, net of reinsurance	54,532	41,536
Claims incurred, net of reinsurance	(19,721)	(14,231)
Net operating expense	(32,886)	(25,626)
<b>Consolidated result from the technical accounts of insurance companies</b>	<b>1,925</b>	<b>1,679</b>

Included in operating expenses are amounts with other Group companies of £31.8m (2022: £11.0m).

A summary of the assets and liabilities of the insurance companies as included in the consolidated financial statements is set out below:

	2023 £'000	2022 £'000
<b>Assets</b>		
Investments	14,004	14,101
Reinsurers share of technical provisions	104,592	54,749
Receivables arising out of direct insurance operations	72,048	54,426
Receivables arising out of reinsurance operations	7,908	377
Other receivables	92	498
Deferred tax	1,822	589
Cash and cash equivalents	73,690	28,381
Deferred acquisition costs	41,336	27,633
Prepayments and accrued income	540	207
<b>Total assets</b>	<b>316,032</b>	<b>180,961</b>
<b>Liabilities</b>		
Provision for unearned premiums	99,328	65,902
Claims outstanding	32,246	13,083
Payables arising from direct insurance operations	32,665	21,177
Payables arising from reinsurance operations	67,190	27,869
Other payables	10,177	2,267
Accruals and deferred income	38,787	20,436
<b>Total liabilities</b>	<b>280,393</b>	<b>150,734</b>

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### 36 Insurance contracts (continued)

#### 36.2 Particulars of business

An analysis of gross premiums written, and gross premiums earned by class of business in AIL and CIEL is set out below:

	Gross premiums written		Gross premiums earned		Reinsurance balance	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Accident and health	142,370	35,662	123,410	26,205	96,172	16,353
Assistance	97,226	62,655	84,115	30,450	63,943	15,369
Miscellaneous financial loss	11,215	20,735	11,141	18,794	6,729	5,069
Damage to property	9,220	3,439	9,646	3,403	7,128	902
Income protection	286	710	259	711	67	335
<b>Total</b>	<b>260,317</b>	<b>123,201</b>	<b>228,571</b>	<b>79,563</b>	<b>174,039</b>	<b>38,028</b>

An analysis of gross claims incurred, gross operating expenses and the reinsurance balance by class of business in AIL and CIEL is set out below:

	Gross claims incurred		Gross operating expenses		Reinsurance balance	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Accident and health	52,342	11,040	54,125	4,479	79,374	7,518
Assistance	30,134	11,619	44,792	15,676	54,481	10,899
Miscellaneous financial loss	2,745	6,613	7,122	12,371	6,522	5,346
Damage to property	2,136	484	3,872	1,936	4,461	885
Income protection	132	98	390	336	343	147
<b>Total</b>	<b>87,489</b>	<b>29,854</b>	<b>110,301</b>	<b>34,798</b>	<b>145,181</b>	<b>24,795</b>

Included in operating expenses are amounts with other Group companies of £31.8m (2022: £11.0m).

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### 36 Insurance contracts (continued)

#### 36.3 Insurance contract liabilities and reinsurance assets

The reconciliation of changes in balances within this section relate solely to the insurance contracts and reinsurance assets of AIL and CIEL.

The movement in the unearned premium provision during the year was as follows:

	2023		2022	
	Gross provision £'000	Reinsurance asset £'000	Gross provision £'000	Reinsurance asset £'000
At beginning of year	65,902	46,146	24,116	10,256
Increase/(decrease) in provision	31,740	31,869	42,304	36,244
Exchange gains and losses	1,686	1,422	(518)	(355)
<b>At end of year</b>	<b>99,328</b>	<b>79,437</b>	<b>65,902</b>	<b>46,145</b>

The movement in the provision for claims outstanding during the year was as follows:

	2023		2022	
	Gross Provision £'000	Reinsurance asset £'000	Gross provision £'000	Reinsurance asset £'000
At beginning of year	13,082	8,604	7,353	3,561
Claims incurred in current year	85,513	66,375	28,188	14,382
Adjustment to claims incurred in prior years	2,483	1,898	1,791	1,368
Claims paid during year	(69,166)	(51,828)	(24,130)	(10,615)
Prior year claims	-	-	-	-
Exchange gains and losses	334	105	(119)	(92)
<b>At end of year</b>	<b>32,246</b>	<b>25,154</b>	<b>13,083</b>	<b>8,604</b>

The movement in the deferred acquisition costs during the year is as follows:

	2023		2022	
	Gross asset £'000	Reinsurance liability £'000	Gross asset £'000	Reinsurance liability £'000
At beginning of year	27,634	18,563	10,351	4,188
Deferred	83,685	66,230	33,414	23,550
Amortisation	(70,605)	(52,306)	(15,955)	(9,052)
Exchange gains and losses	622	469	(175)	(123)
<b>At end of year</b>	<b>41,336</b>	<b>32,956</b>	<b>27,635</b>	<b>18,563</b>



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### **36 Insurance contracts (continued)**

#### **36.4 Management of insurance risks**

##### *Insurance risks*

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is fortuitous. The terms and conditions of the contract set out the bases for the determination of the Group's liability should the insured event occur. The Group predominately writes personal lines insurance in the International Health and Travel classes. The majority of underwriting risk to which the Group is exposed is of a short-term nature in view of the lines of business which it writes.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments are significantly different to the amounts included within technical provisions. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amount of claims and benefits may vary from year to year from the estimate established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location. The Group's book of business consists of individual policies spread across the whole European area, minimising concentration risk. In addition, the company writes a varied number of types of policies, spanning over a number of different classes of business. This brings an inherent diversification to the risk of claims.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risk accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the potential variability of the expected outcome.

##### *Frequency and severity of claims*

The frequency and severity of claims can be affected by several factors. The following are considered by the Group to be the most significant:

- (i) The risk of a single event that can extensively affect a multiple of individual risks to which the Group is exposed.
- (ii) The accumulation of multiple claims within the policy limits for risks which the Group underwrites.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy ensures that the risks underwritten are well diversified in terms of type and amount of risk. The Group follows strict underwriting guidelines and sets limits on the overall retention of risk that it carries. Any risk in excess of this limit is reinsured or is declined. Underwriting limits are in place to enforce appropriate risk selection criteria. In certain circumstances, certain exclusions to risks are included within these guidelines. For example, the Group does not insure US risks unless they are incidental. The Group can impose deductibles to help manage its costs. The Group also uses its experience and expertise to mitigate the risk of fraudulent claims. Insurance contracts also entitle the Group to pursue third parties for payment of some or all of the costs (i.e. subrogation). A significant portion of the Group's business is underwritten through schemes written through a distribution network where underwriting authority limits are set for individual schemes.

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### **36 Insurance contracts (continued)**

#### **36.4 Management of insurance risks (continued)**

The directors are of the opinion that a change in the loss ratios will not have a significant effect on the underwriting income/loss in view of the profit commission mechanism in place.

##### *Reinsurance arrangements*

The Group has reinsurance protection in place for major classes of business. The type of reinsurance cover, and the level of retention, is based on the Group's internal risk management assessment which takes into account the risk being covered and the sums assured. The Board's of AIL and CIEL approve each reinsurance program on an annual basis. Reinsurance arrangements, both quota share and excess of loss, reduce the Group's exposure to large individual claims or aggregated losses from a single event and dampen the volatility in the underwriting result. This further mitigates catastrophe risk as well as maintains the residual risk within the risk appetite and tolerance levels of the Group. It is generally the Group's policy for reinsurance with non-group entities to be placed with listed multinational reinsurance companies whose credit rating is not less than A.

The Board of Director's of the insurance companies have initiated a proportional re-insurance diversification programme which aligns with the growth initiatives for the companies. The proportional re-insurance strategy will build on the knowledge and experience gained from the companies current relationships and put in place re-insurance partners who will allow the insurance companies to grow market opportunities while ensuring they fit within the risk appetite of the Collinson Group as a whole.

##### *Claims handling*

The Group has outsourced the claims handling of certain classes, to service providers who investigate and adjust claims. Claims are reviewed individually on a regular basis. The Group actively manages and pursues early settlement for claims to reduce its exposure to unpredictable developments.

##### *Sources of estimation uncertainty in future claims payments*

Claims on contracts are accounted for on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered or reported after the end of the contract term. As a result, the estimation of claims includes claims incurred but not reported (IBNR). IBNR claims are generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is generally available. The estimated cost of claims includes direct expenses to be incurred in settling claims. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR and a provision for reported claims not yet paid. The amount of personal injury claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

The impact of COVID-19 has been mitigated by policy wording and proactive claims handling management. The Company's reinsurance programme has provided protection and mitigated the impact of the claim's exposure. In addition, the portfolio provides a strong balance of diversification with other lines of business less impacted and overall potential exposure is limited to less than 5% of the overall underwriting portfolio.

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### **36 Insurance contracts (continued)**

#### **36.4 Management of insurance risks (continued)**

In calculating the estimated cost of unpaid claims (both reported and not reported), the Group's estimation techniques are a combination of the Bornhuetter-Ferguson method using loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and the Chain-ladder method where an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. An allowance for risk and uncertainty is made within claims outstanding.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For large personal injury claims the IBNR will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately to allow for the possible distortive effect of their development and incidence on the rest of the portfolio. Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each year.

A development of the estimate of ultimate claim cost for claims notified in a given year is presented later in this note. This gives an indication of the accuracy of the Group's estimation technique for claims payments.

The Group has taken the exemption under FRS 103 paragraph 6.3 not to disclose information about claims development that occurred earlier than five years before the end of the first financial year in which it applied FRS 103.

#### *Process used to decide on assumptions*

The Group uses assumptions based mainly on internal data to measure its claims liabilities. Internal data is derived mostly from the Group's quarterly claims reports. The Group uses several statistical methods to incorporate the various assumptions made to estimate the ultimate cost of claims. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods. Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each year that is not yet fully developed to produce an estimated ultimate claims cost for each year.

Chain-ladder techniques are most appropriate for those years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection.

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### **36 Insurance contracts (continued)**

#### **36.4 Management of insurance risks (continued)**

##### *Sensitivity analysis*

The following tables present the sensitivity of the value of insurance liabilities to movements in the assumptions used in the estimation of insurance liabilities. AIL and CIEL pay a profit share to fellow group companies that provide insurance administration services. This is calculated on a stepped scale, dependent on the loss ratio after any profit share paid to reinsurers, on all earned premiums.

Therefore, in considering the impact of a change in the loss ratio assumption on profit after tax and equity, this commission has been taken into consideration. To calculate the sensitivity the loss ratio was changed by increasing or decreasing it by 5%, with all other variables remaining constant.

	<b>2023</b>		<b>2022</b>	
	<b>5% increase £'000</b>	<b>5% decrease £'000</b>	<b>5% increase £'000</b>	<b>5% decrease £'000</b>
Accident and health	937	(937)	114	(114)
Assistance	506	(506)	487	(487)
Miscellaneous financial loss	30	(30)	22	(22)
Damage to property	53	(53)	33	(33)
Income protection	1	(1)	2	(2)
<b>Total impact on gross claims liabilities</b>	<b>1,527</b>	<b>(1,527)</b>	<b>658</b>	<b>(658)</b>
<b>Total impact on profit after tax and equity</b>	<b>1,527</b>	<b>(1,527)</b>	<b>658</b>	<b>(658)</b>

The total impact on profit after tax and equity of the insurance companies is inclusive of an impact on profit commissions with other Group companies of £1.1m (2022: £0.6m).

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### 36 Insurance contracts (continued)

#### 36.4 Management of insurance risks (continued)

##### *Claims development tables*

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how AIL's estimate of total claims outstanding for each accident year has changed at successive year-ends and CIEL's current estimate of cumulative claims. The table reconciles to the cumulative claims to the amount appearing in the statement of financial position.

##### (a) Claims outstanding – gross

Underwriting year	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	Total £'000
<b>Estimate of ultimate claims costs:</b>											
- At end of reporting period	1,277	667	1,338	1,838	1,267	2,024	1,743	1,037	4,052	4,832	20,075
- One year later	9,879	12,483	17,448	20,063	14,738	18,387	7,243	17,412	74,995		192,648
- Two years later	25,451	22,130	24,787	26,377	22,095	25,711	14,573	35,219			196,343
- Three years later	21,389	21,524	24,807	27,017	22,227	25,926	17,198				160,088
- Four years later	21,252	21,363	24,148	26,764	22,049	20,548					136,124
- Five years later	21,228	21,423	24,147	26,392	22,102						115,292
- Six years later	21,230	21,339	24,147	26,381							93,097
- Seven years later	21,221	21,330	24,150								66,701
- Eight years later	21,182	21,329									42,511
- Nine years later	21,182										21,182
Current estimate of cumulative claims	21,182	21,329	24,150	26,381	22,102	20,548	17,198	35,219	74,995	4,832	267,936
Cumulative payments to date	(21,182)	(21,329)	(24,139)	(26,355)	(21,748)	(20,580)	(16,993)	(32,140)	(49,951)	(1,769)	(236,186)
<b>Liability recognised at the reporting date</b>	-	-	11	26	354	(32)	205	3,079	25,044	3,063	31,750
Provision in respect of prior years											29
Provisions for adverse deviation and shock loss											458
<b>Total provision included in statement of financial position at 30 April 2023</b>											<b>32,237</b>

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### 36 Insurance contracts (continued)

#### 36.4 Management of insurance risks (continued)

(b) Claims outstanding – net

Underwriting year	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	Total £'000
<b>Estimate of ultimate claims costs:</b>											
- At end of reporting period	1,129	516	748	1,356	905	821	880	939	1,018	1,108	<b>9,419</b>
- One year later	4,750	6,454	11,721	13,170	10,655	9,315	6,662	9,932	15,493		<b>88,152</b>
- Two years later	17,245	10,800	15,810	18,491	14,554	13,159	11,526	14,017			<b>115,601</b>
- Three years later	13,772	10,295	16,096	19,054	14,398	13,272	12,164				<b>99,052</b>
- Four years later	13,739	10,555	16,040	18,856	14,291	13,114					<b>86,596</b>
- Five years later	13,615	10,650	16,001	18,490	14,288						<b>73,044</b>
- Six years later	13,623	10,602	15,990	18,488							<b>58,703</b>
- Seven years later	13,610	10,592	16,102								<b>40,304</b>
- Eight years later	13,590	10,594									<b>24,184</b>
- Nine years later	13,590										<b>13,590</b>
Current estimate of cumulative claims	13,590	10,594	16,102	18,488	14,288	13,114	12,164	14,017	15,493	1,108	<b>128,958</b>
Cumulative payments to date	(13,590)	(10,591)	(16,099)	(18,462)	(14,254)	(13,162)	(11,975)	(13,298)	(10,505)	(413)	<b>(122,349)</b>
<b>Liability recognised at the reporting date</b>	-	3	3	26	34	(48)	189	719	4,988	695	<b>6,609</b>
Provision in respect of prior years											<b>26</b>
Provisions for adverse deviation and shock loss											<b>458</b>
<b>Total provision included in statement of financial position at 30 April 2023</b>											<b>7,093</b>

AIL and CIEL hold the following financial instruments, other than those arising from insurance contracts:

	2023 £'000	2022 £'000
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Deposits with credit institutions	<b>14,004</b>	14,101
Cash and cash equivalents	<b>73,690</b>	28,381

The carrying value of these financial instruments is considered to approximate to their fair value at the reporting dates.

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**For the year ended 30 April 2023**

### **36 Insurance contracts (continued)**

#### **36.6 Financial risk management of the insurance companies**

The insurance companies are exposed to a range of financial risks, in particular the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk. The specific risks that AIL and CIEL face due to the nature of their investments and liabilities are currency risk, credit risk and liquidity risk.

##### **(i) Market risk**

##### **Interest rate risk**

Due to the fact that fixed rates of interest are earned on all deposits with credit institutions, investment returns will not fluctuate because of changes in market interest rates. However, if the Group decided to reinvest the funds then the impact on the interest rates and the ultimate investment return will be subject to fluctuations as a result of the current economic climate.

##### **Currency risk**

AIL and CIEL manage foreign exchange risk against their functional currency. Foreign exchange arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. AIL and CIEL are exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than Sterling. AIL and CIEL seek to mitigate the risk by matching the estimated foreign currency denominated liabilities in the same currency by holding claims liabilities in the currency of the liability.

	<b>Financial assets</b>		<b>Financial liabilities</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Sterling	<b>189,744</b>	98,243	<b>165,281</b>	76,297
Euro	<b>122,651</b>	84,171	<b>116,511</b>	77,929
US dollar	<b>2,306</b>	1,395	<b>192</b>	1,420
Norwegian Kroner	<b>1,186</b>	1,577	<b>123</b>	201
Other	<b>154</b>	149	<b>(8)</b>	10
	<b>316,041</b>	185,535	<b>282,099</b>	155,857

Financial assets include financial investments, receivables, cash at bank and in hand and accrued interest.

Insurance liabilities include claims outstanding and payables, excluding accrued commissions payable on accrued income.

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### **36 Insurance contracts (continued)**

#### **36.6 Financial risk management of the insurance companies (continued)**

As at 30 April 2023, if the Pound had weakened / strengthened by 10% against other currencies, with all other variables held constant, profit for the year and equity for AIL would have been lower / higher as illustrated in the table below.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Sterling increases by 10%</b>		
Euro	(30)	(81)
US dollar	196	20
Other	(1)	(2)
	<b>165</b>	<b>(63)</b>
<b>Sterling decreases by 10%</b>		
Euro	30	81
US dollar	(196)	(20)
Other	1	2
	<b>(165)</b>	<b>63</b>

As at 30 April 2023, if the Euro, the functional currency of CIEL, had weakened / strengthened by 10% against other currencies, with all other variables held constant, the net impact on pre-tax profit for the year would be £0.2m (2022: £0.2m).



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### 36 Insurance contracts (continued)

#### 36.6 Financial risk management of the insurance companies (continued)

##### (ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries; and
- counterparty risk with respect to cash deposits.

The Group manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to geographical and industry segments. Such risks are subject to regular review.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy.

Exposure to credit risk in respect of amounts due from policyholders is mitigated by the Group's large customer base and the low average level of balances outstanding. AIL and CIEL are not exposed to concentrations of credit risk in respect of policyholders. There is also mitigation by the operation of controls in this area, including payment on policy acceptance and automated cancellation procedures for policies in default.

The assets bearing credit risk are summarised below, together with an analysis by credit rating. Debtors other than amounts due from reinsurers and group companies, have been excluded from the table as these are not rated.

	S&P A1 £'000	S&P A2 £'000	S&P A3 £'000	Not rated £'000	Total £'000
<b>2023</b>					
Other financial investments	14,004	-	-	-	14,004
Cash and cash equivalents	11,886	6,049	55,755	-	73,690
Arising out of reinsurance operations	7,908	-	-	-	7,908
Other debtors	-	-	-	92	92
Amounts owed by group undertakings	-	-	-	49	49
	33,798	6,049	55,755	141	95,743
	S&P A1 £'000	S&P A2 £'000	S&P A3 £'000	Not rated £'000	Total £'000
<b>2022</b>					
Other financial investments	-	4,077	10,024	498	14,599
Cash and cash equivalents	14,661	-	13,309	412	28,382
Arising out of reinsurance operations	377	-	-	-	377
Amounts owed by group undertakings	-	-	-	4,571	4,571
	15,038	4,077	23,333	5,481	47,929

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### 36 Insurance contracts (continued)

#### 36.6 Financial risk management of the insurance companies (continued)

The financial assets that are past due, but not impaired at the reporting date are set out below.

	Total £'000	Neither past due nor impaired £'000	Past due but not impaired		
			< 60 days £'000	60-120 days £'000	> 120 days £'000
<b>2023</b>					
Intermediaries	42,334	41,784	-	513	37
Policy holders	29,714	28,823	716	83	92
Receivables arising out of reinsurance operations	7,908	7,908	-	-	-
Amounts owed by group undertakings	49	49	-	-	-
Accrued interest	383	383	-	-	-
Other debtors	92	92	-	-	-
	<b>80,480</b>	<b>79,039</b>	<b>716</b>	<b>596</b>	<b>129</b>
<b>2022</b>					
Intermediaries	53,633	53,464	20	148	1
Policy holders	793	793	-	-	-
Receivables arising out of reinsurance operations	377	377	-	-	-
Amounts owed by group undertakings	4,571	4,571	-	-	-
Accrued interest	10	10	-	-	-
Other debtors	498	498	-	-	-
	<b>59,882</b>	<b>59,713</b>	<b>20</b>	<b>148</b>	<b>1</b>

An allowance has been made for estimated irrecoverable amounts from insurance customers, determined by reference to past default experience. All amounts that have not been provided for are expected to be recoverable. The table below shows the movement in the impairment allowance during the year.

	2023 £'000	2022 £'000
At beginning of year	62	46
Increase in provision	-	16
Provision released in year	(17)	-
<b>At end of year</b>	<b>45</b>	<b>62</b>

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### 36 Insurance contracts (continued)

#### 36.6 Financial risk management of the insurance companies (continued)

##### (iii) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The primary liquidity risk is the obligation to pay claims to policyholders as they fall due.

The projected settlement of these liabilities is modelled, on a regular basis, using actuarial techniques. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand. The table below analyses the maturity of AIL's and CIEL's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows. The amounts disclosed in the table represent undiscounted cash flows.

	Timing of cash flows				Total £'000
	Within one year £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000	
<b>2023</b>					
Claims outstanding	27,248	4,281	688	29	32,246
Payables arising from direct insurance operations	32,665	-	-	-	32,665
Payables arising from reinsurance operations	67,190	-	-	-	67,190
Other payables excluding taxation and social security	10,177	-	-	-	10,177
Amounts owing to group undertakings	1,705	-	-	-	1,705
	<b>138,986</b>	<b>4,281</b>	<b>688</b>	<b>29</b>	<b>143,984</b>

	Timing of cash flows				Total £'000
	Within one year £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000	
<b>2022</b>					
Claims outstanding	10,991	1,810	274	8	13,083
Payables arising from direct insurance operations	21,177	-	-	-	21,177
Payables arising from reinsurance operations	27,869	-	-	-	27,869
Other payables excluding taxation and social security	2,267	-	-	-	2,267
Amounts owing to group undertakings	5,121	-	-	-	5,121
	<b>67,425</b>	<b>1,810</b>	<b>274</b>	<b>8</b>	<b>69,517</b>

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### **36 Insurance contracts (continued)**

#### **36.7 Capital management of the insurance companies**

AIL is regulated by the Prudential Regulation Authority and CIEL is regulated by the Malta Financial Services Authority. Both AIL and CIEL are subject to Solvency II requirements. The Solvency II Directive (2009/138/EC) introduced risk-based, regulatory requirements that ascertain the level of required regulatory capital to be held based on the nature and quantum of risks that each company is or could be exposed to. Under Solvency II AIL and CIEL are required to meet a Solvency Capital Requirement (SCR) to ensure each company is able to meet its obligations over the next 12 months as well as a Minimum Capital Requirement (MCR) being the threshold below which the national regulator would intervene.

As a consequence, the Directors manage the capital with the following objectives:

- to comply with the insurance capital requirements to hold eligible own funds to cover the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR");
- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to maintain financial strength to support new business growth;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently to support growth; and
- to manage exposures to movement in exchange rates.

AIL and CIEL manage their capital in accordance with their Capital Management Policy which sets their objectives, policy, and processes, which includes:

- capital planning to ensure the companies hold the right amount of capital to meet their objectives; and
- capital allocation to ensure the companies maximise their capital returns.

The capital supporting the underwriting within the Group consists primarily of ordinary share capital and other shareholder funds. The Group will also consider alternative sources of capital, including reinsurance and securitisation, as appropriate, when assessing its deployment and usage of capital.

Both companies aim to ensure sufficient capital is held in excess of their SCR and MCR at all times. As at the reporting date on an aggregated basis AIL and CIEL had available capital to meet Solvency requirements of approximately – £33.5m (unaudited) (2022: £29.3m (unaudited)) against a combined SCR of £15.1m (unaudited) (2022: £16.4m (unaudited)).

During the year the changing capital position of the insurance companies and the three-year planning cycle are both continuously reviewed and in 2023 this highlighted that due to excess capital within AIL the coverage ratio was within the Board's agreed risk appetite.

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### **37 Investments in subsidiary and related undertakings**

A list of subsidiaries, joint ventures and associates as at 30 April 2023 is detailed below. All subsidiaries are included in the Group consolidation, refer to note 3.2 for further description of the consolidation method used to account for subsidiaries. The percentage of shares held by Group companies reflect both the proportion of capital and voting rights unless otherwise stated. All subsidiary undertakings are indirectly owned by The Collinson Group unless otherwise stated.

#### **Subsidiary undertakings incorporated in the United Kingdom**

<b>Name</b>	<b>Ordinary shares held %</b>	<b>Registered address</b>
Airport Dimensions Holdings Limited*	100%	1
Airport Dimensions Partnership Holdings Limited	100%	1
Airport Dimensions Partnership Limited	100%	1
Airport Lounge Development Limited	100%	1
ALD OGH UK LTD	75%	1
Astrenska Insurance Holdings Limited	100%	1
Astrenska Insurance Limited	100%	1
Collinson (Central Services) Limited	100%	1
Collinson Finance Limited	100%	1
Collinson Group Holdings Limited	100%	1
Collinson IG (Management) Ltd	100%	1
Collinson Insurance (Holdings) Limited*	100%	1
Collinson Insurance Brokers Ltd.	100%	1
Collinson Insurance Group Limited	100%	1
Collinson Insurance Services Limited	100%	1
Collinson International Limited*	100%	1
Collinson Investments Limited*	100%	1
Collinson Service Solutions Limited	100%	1
Columbus Insurance Services Limited	100%	1
ICLP Worldwide Ltd	100%	1
International Airline Passengers Association (Group Publications) Limited	100%	1
International Customer Loyalty Programmes (Holdings) Limited	100%	1
International Customer Loyalty Programmes (Overseas Holdings) Limited	100%	1
International Customer Loyalty Programmes Limited	99%	1
Lounge Gateway Limited	100%	1
Lounge Key Limited	100%	1
Partnership Marketing Agency Limited	100%	1
Preferential Direct Limited	100%	1
Priority Pass Limited	100%	1
Priority Travel Group (Holdings) Limited	100%	1

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### 37 Investments in subsidiary and related undertakings (continued)

#### Subsidiary undertakings incorporated in the United Kingdom (continued)

Name	Ordinary shares held	Registered address
	%	
The Collinson Group (Overseas Holdings) Limited	100%	1
Valuedynamx Holdings Limited*	100%	1
Valuedynamx Limited	100%	1
Vivid Lime Ltd	100%	1

#### Subsidiary undertakings incorporated outside the United Kingdom

Name	Country of incorporation	Ordinary shares held	Registered address
		%	
Collinson Group Pty Ltd	Australia	100%	7
Columbus Direct Travel Insurance Pty Limited	Australia	100%	7
The Collinson Group Australia Pty Ltd	Australia	100%	7
Valuedynamx PTY Limited	Australia	100%	7
Airport Dimensions Participacoes Ltda.	Brazil	100%	17
Collinson Consultoria Em Fidelização Ltda	Brazil	100%	15
Collinson Do Brasil Desenvolvimento De Softwares E Serviços Ltda	Brazil	100%	16
Collinson (Shanghai) Co., Ltd.	China	100%	8
Bienvenue Financière SAS	France	100%	6
Collinson SAS	France	100%	6
PTI Company Limited	Gibraltar	100%	19
ALD Asia Pacific Limited	Hong Kong	100%	4
Collinson Holdings (Hong Kong) Limited	Hong Kong	100%	4
Collinson International (Hong Kong) Limited	Hong Kong	100%	4
Lounge Key AP Limited	Hong Kong	100%	4
Priority Pass (A.P.) Limited	Hong Kong	100%	4
Collinson Loyalty & Benefits Private Limited	India	100%	9
Collinson Services India LLP	India	100%	9
Collinson (Japan) K.K.	Japan	100%	20
Collinson Group (Trademarks) Limited	Malta	100%	5
Collinson Holdings Europe Limited	Malta	100%	5
Collinson Insurance Europe Limited	Malta	100%	5
Collinson Insurance Solutions Europe Limited	Malta	100%	5
Collinson Peru S.A.C.	Peru	100%	21
International Customer Loyalty Programmes for Marketing	Saudi Arabia	100%	24
Collinson (Singapore) Pte. Ltd.	Singapore	100%	11

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### **37 Investments in subsidiary and related undertakings (continued)**

#### **Subsidiary undertakings incorporated outside the United Kingdom (continued)**

<b>Name</b>	<b>Country of incorporation</b>	<b>Ordinary shares held %</b>	<b>Registered address</b>
Priority Pass (Asia) Pte. Ltd.	Singapore	100%	10
The Collinson Group (Asia) Pte. Ltd.	Singapore	100%	10
Collinson (ASPAC) Pte. Ltd.	Singapore	100%	11
Collinson Group South Africa (Pty) Ltd	South Africa	100%	12
ICLP Ltd	Switzerland	100%	22
Onground Hospitality LLC	United Arab Emirates	100%	23
AD Overseas Holdings, Inc.	United States	100%	2
AD Partnership Holdings, Inc.	United States	100%	2
AD Partnership, LLC	United States	100%	3
Airport Lounge Development, Inc.	United States	100%	3
Airport Lounge Operations, LLC	United States	80%	3
ALD CLE Holdings, LLC	United States	100%	3
ALD Development Corp.	United States	100%	2
ALD Flohport LLC	United States	85%	13
ALD GLN Holdings, LLC	United States	100%	3
ALD MSY Holdings, LLC	United States	100%	3
ALD US Holdings, Inc.	United States	100%	2
ALDJCM LLC	United States	75%	14
Collinson (USA) Inc.	United States	100%	2
Collinson Assistance Services, Inc.	United States	100%	2
Collinson Inc.	United States	100%	2
Collinson Insurance Brokers Inc.	United States	100%	3
Frequent Flyer Club Of America, Inc.	United States	100%	3
IAPA (Travel Services) Inc.	United States	100%	2
Lounge Key Inc.	United States	100%	2
Priority Pass, Inc.	United States	100%	3
Priority Travel Group (USA) Ltd.	United States	100%	2
The Club at Phx Inc.	United States	100%	18
The Collinson Group (USA) Ltd	United States	100%	2
Valuedynamx, Inc.	United States	100%	2

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**37 Investments in subsidiary and related undertakings (continued)**

**Joint ventures and associates**

<b>Name</b>	<b>Country of incorporation</b>	<b>Ordinary shares held %</b>	<b>Registered address</b>
<b>Joint Ventures</b>			
Ambar Lounge FOR Espaco VIP Ltda	Brazil	50%	26
Ambar Lounge POA Espaco VIP Ltda	Brazil	50%	27
Ambar Lounge SSA Espaco VIP Ltda	Brazil	50%	28
Ambar Lounge VCP Espaco VIP Ltda	Brazil	50%	29
Game Space Gaming Venue LLC	United Arab Emirates	50%	30
Global Lounge TK MIA Term E, LLC	United States	50%	31
NAS ALD Mena LLC	United Arab Emirates	50%	32
OGH Gulf Hospitality WLL	Qatar	49%	33
Swissport ALD Holdings Limited	United Kingdom	49%	34
<b>Associates</b>			
GAD-25 LLC	United States	25%	2
Inflyter SAS†	France	51%	35
Cursus Technologies Inc.	United States	29%	25

\* Shareholding in subsidiary directly held by The Collinson Group Limited

† Investment is classified as an associate as the Group does not have control or joint control in financial and operating policy decisions



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**37 Investments in subsidiary and related undertakings (continued)**

**Company registered office addresses**

<b>Number</b>	<b>Registered address</b>
1	3 More London Riverside, 5th Floor, London, SE1 2AQ
2	1209 Orange Street, Corporation Trust Center, New Castle County, Wilmington DE 19801
3	1999 Bryan Street, Suite 900, Dallas TX 75201
4	16th Floor Taikoo Place, Oxford House, 979 King's Road, Quarry Bay, Hong Kong
5	Third Floor, Development House, St. Anne Street, Floriana, FRN 9010, Malta
6	85 Rue Pierre Duhem, 13290 Aix-en-Provence, France
7	Level 13, 124 Walker Street, North Sydney NSW 2060
8	Suite 925, No. 706 Huashan Road, Pudong New District, Shanghai
9	501-505, Ascot Centre, Next to Hotel Hilton, Sahar Road, Andheri (E) Mumbai MH 400099
10	150 Cecil Street, #14-01, 069543, Singapore
11	152 Beach Road, #20-01/04 Gateway East, Singapore 189721
12	Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 South Africa
13	4400 Easton Commons Way, Suite 125, Columbus OH 43219
14	1202 Camp St, New Orleans, LA 70130
15	Avenida Angelica, 2447 – 1st Floor, Rooms 11 - 16, Sao Paulo/SP, Consolacao, 01227-200
16	Av Brigadeiro Luis Antonio, 2050, Andar 15 Sala 10, Bela Vista, Sao Paulo, CEP 01318-002
17	Alameda Franca 1050 mm floor Jardins in the city of São Paulo CEP 01422 001
18	CT Corporation system, 3800 N Central AVE STE 460, Phoenix, AZ 85012, USA
19	Montagu Pavilion Building, 8-10 Queensway, Gibraltar
20	21-21, Akasaka 3-chome, Minato-ku, Tokyo
21	456 Av. Camino Real, Urb. Centro Comercial Camino Real, San Isidro, Lima
22	Schiffbaustrasse 8, 8005 Zürich, Switzerland
23	Abu Dhabi International Airport, Business Centre, Executive Desk 040, Abu Dhabi
24	3141 Anas Ibn Malik Rd, Al Malqa, Riyadh 13521, Saudi Arabia
25	3302 Canal Street, Suite 13, Houston TX 77003
26	Avenida Senador Carlos Jereissati, número 3000, T1, 3º andar, LUC T1.N3.022, bairro / distrito Aeroporto, município Fortaleza - CE, CEP 60.741-900
27	Avenida Severo Dullius, número 90010, Terminal Passag 1 Andar 3 Embarque Domestico Lado Ar Sala T1.N3.022, bairro / distrito Anchieta, município PORTO ALEGRE - RS, CEP 90.200-310
28	Praça Gago Coutinho 000540; Edif: Aeroporto Inter. De Salvador; Loja:2.04; Pavmt: 2 -Aeroporto Salvador - Bahia CEP: 41602065.
29	Cidade de Campinas, Esrado de Sao Paulo, na Rodovia Santos Dumont s/n º, Parque Viracopos, Sala VIP
30	Ambaar Lounge Terminal de Passagerios 1, Edificio Aeroporto International de Viracopos, CEP 13052-902
31	PO BOX 115667, Executive Towers, Business Bay, Dubai, United Arab Emirates
32	Schwartz, Frank, 100 Biscayne Blvd , Suite 1300, Miami, FL 33132 US
33	Abu Dhabi International Airport, Business Park 01, Office No. 112, Abu Dhabi
34	2nd Floor, Building 14, Arkaan Block, Barwa Commercial Avenue, P.O. Box. 31487, Doha, Qatar
35	Swissport House Hampton Court, Manor Park, Runcorn, Cheshire, United Kingdom, WA7 1TT
	191-195 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France

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**37 Investments in subsidiary and related undertakings (continued)**

For the year ended 30 April 2023, certain subsidiary undertakings were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to the audit of accounts. The members of the following subsidiary undertakings have not required them to obtain an audit of their financial statements for the year ended 30 April 2023.

<b>Subsidiary undertaking</b>	<b>Registered number</b>
Airport Dimensions Holdings Limited	11291574
Airport Dimensions Partnership Holdings Limited	13411751
Airport Dimensions Partnership Limited	13413145
Airport Lounge Development Limited	03924796
Astrenska Insurance Holdings Limited	10330418
Collinson (Central Services) Ltd	03924803
Collinson Finance Limited	09242165
Collinson Group Holdings Limited	13418440
Collinson IG (Management) Ltd	06648389
Collinson Insurance (Holdings) Limited	06311859
Collinson Insurance Brokers Ltd.	02952154
Collinson Insurance Group Limited	06312711
Collinson Insurance Services Limited	00758979
Collinson International Limited	02577557
Collinson Investments Limited	11524334
Collinson Service Solutions Limited	02474708
Columbus Insurance Services Limited	02642155
ICLP Worldwide Ltd	06297514
International Customer Loyalty Programmes (Holdings) Limited	06311788
International Customer Loyalty Programmes (Overseas Holdings) Limited	06312662
International Customer Loyalty Programmes Limited	02132179
Lounge Gateway Limited	06708537
Lounge Key Limited	08792537
Partnership Marketing Agency Limited	05732839
Preferential Direct Limited	03375210
Priority Pass Limited	02728518
Priority Travel Group (Holdings) Limited	06309844
The Collinson Group (Overseas Holdings) Limited	06607918
Valuedynamx Holdings Limited	13366172
Valuedynamx Limited	06708136
Vivid Lime Ltd	03924823

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## **Company Statement of Financial Position**

**As at 30 April 2023**

	Note	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Investments	5	40,708	37,410
		<b>40,708</b>	<b>37,410</b>
<b>Current assets</b>			
Trade and other receivables	6	58,164	304
Cash at bank		14	5
		<b>58,178</b>	<b>309</b>
<b>Current liabilities</b>			
Trade and other payables	7	(1)	(29,726)
		<b>(1)</b>	<b>(29,726)</b>
<b>Net current (liabilities) assets</b>		<b>58,177</b>	<b>(29,417)</b>
<b>Net assets</b>		<b>98,885</b>	<b>7,993</b>
<b>Capital and reserves</b>			
Called up share capital	8	200	200
Retained earnings		98,685	7,793
<b>Total equity</b>		<b>98,885</b>	<b>7,993</b>

The profit for the year of the Company was £90,892k (2022: loss of £55k).

These financial statements were approved by the Board of Directors and authorised for issue on 25 September 2023

DocuSigned by:

*Colin Evans*

58E6624836E7409

**Colin Evans**

Director

The notes on pages 83 to 86 are an integral part of these financial statements.

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## **Company Statement of Changes in Equity**

**For the year ended 30 April 2023**

	<b>Share capital</b> <b>£'000</b>	<b>Retained earnings</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
At 1 May 2022	200	7,793	7,993
Profit for the year	-	90,892	90,892
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Dividends paid	-	-	-
<b>At 30 April 2023</b>	<b>200</b>	<b>98,685</b>	<b>98,885</b>
At 1 May 2021	200	7,868	8,068
Profit for the year	-	(55)	(55)
Other comprehensive income	-	-	-
Total comprehensive income	-	(55)	(55)
Dividends paid	-	(20)	(20)
<b>At 30 April 2022</b>	<b>200</b>	<b>7,793</b>	<b>7,993</b>

The notes on pages 83 to 86 are an integral part of these financial statements.

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## **Notes to the Company Financial Statements**

**For the year ended 30 April 2023**

### **1 General information**

The Collinson Group Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom. The address of its registered office and principal place of business is 3 More London Riverside, 5<sup>th</sup> Floor, London, SE1 2AQ.

The Company financial statements have been presented in Pounds Sterling as this is the Company's functional currency, being the primary economic environment in which the Company operates.

For the period ended 30 April 2023, the principal activity of the Company is that of a group holding company.

### **2 Basis of preparation**

The Company financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company is included in the consolidated financial statements of The Collinson Group Limited.

In preparing these financial statements, the Company has taken advantage of the following exemptions:

- I. from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows';
- II. from disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- III. from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by FRS 102 paragraph 4.12.

On the basis that equivalent disclosures are given in the consolidated financial statements the Company has also taken advantage of the exemption not to provide:

- IV. the disclosure requirements of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

The Company has taken advantage of the exemption available under Section 408 in the Companies Act 2006 not to present its individual statement of comprehensive income.

The Company financial statements have been prepared on a going concern basis as further described in note 3.1 to the consolidated financial statements.

### **3 Accounting policies**

The accounting policies applied by the Company are set out within the accounting policies of the consolidated financial statements presented on pages 32 to 41.

**The Collinson Group Limited**  
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## Notes to the Company Financial Statements

For the year ended 30 April 2023

### 4 Critical accounting judgments and key sources of estimation uncertainty

Judgements, estimates, and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

#### 4.1 Critical judgements in applying the Company's accounting policies

##### (i) Assessing indicators of impairment in investments in subsidiary undertakings

In assessing whether there have been any indicators of impairment, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

#### 4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Recoverability of receivables

Management estimates the recoverable value of receivables and establishes a provision for the amount that is estimated not to be recoverable. In assessing recoverability management considers the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

### 5 Investments in subsidiary undertakings

	£'000
Cost at beginning of year	37,410
Additions	12,237
Impairment	(8,939)
<b>Cost at end of year</b>	<b>40,708</b>

Additions in subsidiary undertakings of £12.2m during the year relate to capital contributions into Collinson Investments Ltd to provide funds to repay fellow subsidiary companies and make equity and loan investments into associated ventures. A provision for impairment of £8.9m has been recognised relating to the investment in Collinson Investments reflecting that certain investments and receivables held in this subsidiary are also impaired. Details of subsidiary undertakings in which the Company has an indirect investment are included in note 37 of the consolidated financial statements. The Company has direct investments in the following subsidiary undertakings:

Name	Country of incorporation	Class of shares held	Percentage of equity shares and voting rights held %
Airport Lounge Development Holdings Ltd	United Kingdom	Ordinary	100
Collinson Insurance (Holdings) Limited	United Kingdom	Ordinary	100
Collinson International Ltd	United Kingdom	Ordinary	100
Collinson Investments Ltd	United Kingdom	Ordinary	100
Valuedynamx Holdings Limited	United Kingdom	Ordinary	100

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## **Notes to the Company Financial Statements**

**For the year ended 30 April 2023**

**6 Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Due within one year</b>		
Amounts due from ultimate parent undertaking	<b>100</b>	100
Amounts owed by group undertakings	<b>58,064</b>	204
	<b>58,164</b>	304

**7 Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Due within one year</b>		
Social security and other taxes	<b>1</b>	-
Amounts owing to group undertakings	-	29,726
	<b>1</b>	29,726

**8 Share capital**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called-up and fully paid</b>		
200 ordinary shares of £1 each	<b>200</b>	200

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

**9 Off balance sheet arrangements**

The Company has not entered into any off-balance sheet arrangements.

**10 Related party transactions**

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose related party transactions with other wholly owned Group companies. There were no other related party transactions that require disclosure during the year ended 30 April 2023 (2022: none).

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## **Notes to the Company Financial Statements**

**For the year ended 30 April 2023**

### **11 Parent undertaking and ultimate controlling party**

At the reporting date, the Company's immediate parent undertaking is Collinson Group Holdings Limited, a company incorporated in England (company number 13418440). The directors regard Parminder Limited, a company incorporated in the Isle of Man, to be the Company's ultimate parent undertaking. Parminder Limited does not prepare consolidated financial statements. The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

The parent undertaking of the largest group for which group accounts are prepared is Parminder Investments Limited, a company incorporated in England (company number 13453712). The Collinson Group Limited is the smallest group for which group accounts are prepared.

### **12 Post balance sheet events**

There are no post balance sheet events requiring disclosure.