

Registration number: 11334241

# Wednesday Midco Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2022



## **Wednesday Midco Limited**

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## **Wednesday Midco Limited**

### **Company Information**

<b>Directors</b>	C J McCavert D A Retif
<b>Company secretary</b>	J Brown
<b>Registered office</b>	5th Floor 3 Shortlands Hammersmith London W6 8DA
<b>Auditor</b>	Deloitte LLP 2 New Street Square London EC4A 3HQ
<b>Bankers</b>	National Westminster Bank 22 Kings Mall Hammersmith London W6 0PZ
<b>Legal</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL  Fox Williams LLP 10 Finsbury Square London EC2A 1AF

## **Wednesday Midco Limited**

### **Strategic Report for the Year Ended 31 October 2022**

This Strategic Report has been prepared for the wider Wednesday Topco Group as a whole (the “Group”), but gives greater emphasis to those matters which are significant to Wednesday Midco Limited (“the Company”). The Directors, in preparing this Strategic Report, have complied with S414C of the Companies Act 2006.

#### **Principal activities**

The principal activity of the Company is that of a corporate holding company.

#### **Review of the business**

The Company broke even in the year (2021 loss: £2,517k) and the net asset position was £188,968k (2021: £188,968k). The prior year loss was due to finance costs incurred prior to the fundraising exercise which occurred in April 2021. There were no such comparable finance costs incurred in the Company in FY22.

#### **Key performance indicators**

The Company has no specific key performance indicators and the Company's ultimate parent company, Wednesday Topco Limited, has disclosed its key performance indicators. The financial statements of Wednesday Topco Limited can be obtained from the address in note 14.

#### **Principal risks and uncertainties**

The Company's assets and liabilities predominantly comprises investments in subsidiaries and intercompany balances, and therefore the risks affecting the Company are considered to be the same risks as those affecting the Wider Group and are set out below. Risks are formally reviewed by the Board and appropriate processes are put in place to monitor and mitigate them.

#### **Cost of living crisis**

The ongoing cost of living crisis in the UK is for the time being, the primary risk facing the Company and the Group. The prolonged economic impact of COVID-19, the war in Ukraine, rising interest rates and high inflation, has had a direct impact on the disposable income of the UK population, and as such there is a risk that this will drive a change in spending habits of consumers, and impact our customers' ability or willingness to go on holiday. The Directors have considered the Group's exposure to this risk, and believe the Group is in a strong position competitively to weather the impact of the cost of living crisis, with the loveholidays' business model providing a near-unlimited range of holiday options, such that customers can continue to find great value holidays within their price range. This assumption is supported by the continued demand observed in the latter months of FY22 and FY23 to date, where our trade continued to exceed pre-COVID-19 levels despite the increased cost pressure on consumers.

#### **Destination disruption**

Providers of holiday and travel packages are exposed to the inherent risk of incidents affecting destinations to which holiday packages are sold. This can include catastrophes caused by climate conditions such as hurricanes, political unrest, terrorist attacks, or the outbreaks of disease such as the recent global spread of the COVID-19 virus which can lead to international travel restrictions. There is a risk that if such an event occurs, impacting one or more of the destinations the business offers, there could be a significant decline in demand for holidays to the affected destinations over an extended period of time as we have seen during the spread of the COVID-19 virus. The Group provides a diversified destination offer to mitigate this risk, and the flexibility of the business model is such that customers are able to easily adapt and find holidays in locations unaffected by these factors. The nature of the business model means the Group operates without inventory risk or supplier commitments prior to customer bookings and therefore can adapt with ease in a rapidly changing environment. The business is also able to promptly reduce marketing spend should the need arise, to protect operating margins from such disruptions.

#### **Consumer demand**

The Group is dependent on the consumer's willingness to travel and to sustain certain levels of disposable income on travel. A period of economic instability can lead to reduced job security and a subsequent reduction in consumer leisure spending. The UK's economic recovery post-COVID-19 has been set back by the war in Ukraine resulting in record high fuel and energy prices and rising inflation.

## Wednesday Midco Limited

### Strategic Report for the Year Ended 31 October 2022 (continued)

#### Principal risks and uncertainties (continued)

##### Consumer demand (continued)

This downturn in the economy has had a direct impact on consumer confidence as a cost of living crisis has emerged. Whilst the cost of living crisis is creating difficulties for customers in deciding where to spend their restricted disposable income, the diverse range of destinations and price points offered by loveholidays, in tandem with our focus on customer experience, has allowed the business to retain customers despite these challenges. Additionally, the business offers 'Low Deposit' and 'Spread the Cost' payment options, allowing customers to reduce the upfront cost of their holiday, making holidays more affordable to the average consumer.

Environmental concerns could lead to a reduction in consumer demand as customers choose to travel less frequently in an effort to reduce their carbon footprint. However, the business has not noted any changes in consumer behaviours which would indicate that this is a material risk to the business.

##### Brexit risk

The UK left the European Union ("EU") on 31 December 2020 following the referendum held on 23 June 2016 ("Brexit"). The business has been proactively ensuring its Irish point of sale is adequately licensed under local and European regulations, and internal systems are updated to manage business within the EU. As the Group pursues expansion plans into further EU countries, such as the planned entrance into Germany, there is an increase level of exposure to local and EU regulation which may differ from those which the UK companies trade under. Management are conscious of this risk, and the business' expansion plans have ample consideration for the future regulatory environment.

##### Regulatory risk

The travel industry continues to rapidly evolve, driven by innovation and technology as the travel experience becomes more digitalised. The business regularly reviews legal and regulatory changes or introductions to ensure adequate implementation and compliance. We have a responsibility to our customers, employees, suppliers and service delivery teams to protect the confidentiality, integrity and availability of the data we hold. Regulatory risk is a dynamic risk due to the increased global cyber-crime activity and regulations such as the General Data Protection Regulations ("GDPR").

In particular, GDPR places more focus on data protection and consequently impacts the Group's processes and controls. The Group ensured GDPR compliance by the implementation date which came into effect in May 2018.

The Group continues to ensure it has the appropriate level of security controls in place across the business as any breach could have a significant impact on our key stakeholders, associated reputational damage and potential for financial penalties.

The Package Travel Directive came into force on 1 July 2018 which was aimed at increasing the accountability of travel agents and protecting consumers booking package holidays and linked travel arrangements. This has meant the Group has additional responsibilities and liabilities to the consumer in the event their holiday is unable to be fulfilled. The Group's responsibility includes finding replacements and providing refunds where flights are cancelled due to supplier failure or otherwise. This has resulted in the Group compensating the customer if something goes wrong but has been mitigated by counter claims lodged by the Group against the end suppliers. The Civil Aviation Authority ('CAA') oversees the Air Travel Organisers' Licensing ('ATOL') scheme which protects customers in the event of a travel company failure and is legally required for the business to operate as an online travel agent. We comply with the ATOL regulations and engage with the CAA to ensure we are meeting these regulatory requirements. This includes holding a portion of our total liquidity in escrow, calculated as a percentage of gross advance receipts accepted in the previous month, less a deduction for credit card payments, in line with our CAA agreement, which is ring-fenced to protect customers against the impact of cancellations. In line with the CAA offer letter for the Group's ATOL from 31 March 2023 to 31 March 2024, the CAA has required the Group to obtain and keep in force a bond. This was successfully secured by the main trading entity, We Love Holidays Limited, prior to the renewed licensing period.

## **Wednesday Midco Limited**

### **Strategic Report for the Year Ended 31 October 2022 (continued)**

#### **Foreign exchange risk**

Volatility in foreign currencies and other markets may arise as the UK works through the global inflation situation and the recent war in Ukraine. The Group is exposed to the financial risks of changes in foreign currency exchange rates. Transactional currency exposure arises as a result of expenditure on hotel accommodation (currencies are principally Euro, US Dollar and UAE Dirham). The Group uses foreign exchange spot and forward contracts to hedge these exposures. The Group further manages its foreign exchange risk by having sufficient foreign currency cash resources to meet ongoing trading requirements.

#### **Supply risk**

The Group acts as an agent between consumers and travel suppliers and is therefore entirely reliant on third parties to supply travel services to our consumers. Supply is affected by supplier failures and booking cancellations, such as the flight cancellations experienced in the summer months of the year as a secondary impact to COVID-19. Although the Group has insurance policies in place, the disruption from supplier failure may impact the profitability of the business.

Whilst the impact of the supplier failure of an airline can be material, the Group purchases flights from a number of airlines and purchases these flights using virtual cards which are protected by chargeback rights. The Group's hotel portfolio includes larger bed banks and also direct relationships with hotel chains. The Group minimises its exposure to any hotel supplier failure losses in the most part by settling liabilities subsequent to the consumers' check out date. The Group maintains close relationships with its regulators and across the industry to ensure it is well informed and able to react quickly to any potential supplier failures.

#### **Future developments**

The Company is a holding company, which prior to a fundraising exercise in FY21 held interest bearing loans. Subsequently, the Company has had very little activity and is not expected to have any future developments of note – as such, the Directors believe discussing the future developments of the Group is more useful to users of the financial statements.

Following the completion of the fundraising exercise on 23 April 2021, and the removal of the majority of travel restrictions in the UK and destination countries, the Directors believe that the Group is well positioned to provide customers with its travel services. Whilst the cost of living crisis is a barrier for customers with less disposable income, the Group is confident in its ability to benefit from the acquisition of a new customer demographic now in search of lower cost holiday options. The Group intends to continue to invest in the development of its platform, win further UK market share, and invest in expansion into the German market and other market opportunities to establish the foundations of the next stages in the Group's growth journey.

## Wednesday Midco Limited

### Strategic Report for the Year Ended 31 October 2022 (continued)

#### Section 172 statement

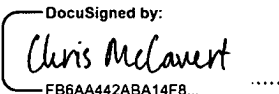
The Directors are aware of their duty under s.172 of the Companies Act 2006 to act a way which they consider, in good faith, would be most likely to promote the success of the Company and Group for the benefit of its members as a whole and, in doing so, to have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Groups employees;
- the need to foster the Groups business relationships with suppliers, customers and others;
- the impact of the Groups operations on the community and the environment; and
- the desirability of the Group maintaining a reputation for high standards of business conduct.

As the principal activity of the Company is to act as a holding company for other entities in the Wednesday Topco Group, the Company has had no commercial business, employees, customers or suppliers other than other Group companies during the period and, as such, the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors. As is normal for large groups we delegate authority for day-to-day management of the Group Companies to Executives within the Group, and then engage management in setting, approving, and overseeing execution of the business strategy and related policies as is appropriate. Board meetings are held periodically where the directors consider the Company's principal activities and make strategic decisions. As a part of those meetings the directors receive information in a range of different formats on section 172 matters when making relevant decisions.

Decisions taken by the Board consider the interests of our key stakeholders, the impacts of these decisions and the need to foster the company's business relationship with customers, suppliers and other stakeholders. The full section 172 statement for the Wednesday Topco Group can be found in the Wednesday Topco Limited financial statements.

Approved by the Board of Directors on 26 May and signed on its behalf by:

DocuSigned by:  
  
FB6AA442ABA14F8...  
C J McCavert  
Director

5th Floor  
3 Shortlands  
Hammersmith  
London  
W6 8DA

## **Wednesday Midco Limited**

### **Directors' Report for the Year Ended 31 October 2022**

The Directors present their annual report on the affairs of the Wednesday Midco Limited ('the Company'), together with the audited financial statements and auditor's report for the year ended 31 October 2022.

#### **Future developments**

Details of the future developments can be found in the Strategic Report on page 4 and form part of this report by cross reference.

#### **Events after the reporting period**

Details of reportable events after the reporting date are detailed in note 15.

#### **Financial risk management objectives and policies**

The Company's principal financial instruments comprise intercompany loans. The main purpose of these financial instruments is to provide funding for the Company's operations. The Directors consider the risk of these financial instruments to be low, as they are amounts owed to the Company's ultimate parent and are interest free. The company does not trade so the exposure to liquidity risk is also considered to be minimal.

#### **Dividends**

The Directors have not recommended a dividend (2021: £nil).

#### **Going concern**

The Company itself is a holding company and does not trade. The Directors therefore have assessed the Company's ability to continue as a Going Concern by reference to the underlying trade of its subsidiaries, and the assessment of the Group as a whole. Based on the Group's strong trading performance for the year, the forecast growth over the next three years, and the cash reserves available, the Directors consider it appropriate to prepare these financial statements on a going concern basis. The wider Group proactively manages its liquidity position and the rigorous and regular forecasting processes provide comfort in the funding base for the foreseeable future. For further information regarding the basis of preparation of the financial statements see note 3 Accounting Policies.

In line with the CAA offer letter for the Group's ATOL from 31 March 2023 to 31 March 2024, the CAA has required the Group to obtain and keep in force a bond. This was successfully secured by the main trading entity, We Love Holidays Limited, prior to the renewed licensing period.

#### **Directors of the Company**

The directors, who served throughout the year and subsequently, except as noted were as follows:

C J McCavert

D A Retif

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.



## Wednesday Midco Limited

### Directors' Report for the Year Ended 31 October 2022 (continued)

#### Political contributions

There were no political contribution made during the year (2021: £nil).

#### Auditor

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

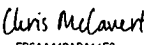
- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

#### Result of tender and change of auditor

During the year the business carried out a competitive tender process for the provision of audit services, in accordance with best practice with audit tenders. As a result, Deloitte LLP will resign as the Company's auditor prior to the commencement of the audit for the year ended 31 October 2023.

Approved by the Board of Directors on 26 May and signed on its behalf by:

DocuSigned by:  
  
FB6AA642ABA14F8...  
C J McCavert  
Director

5th Floor3  
Shortlands  
Hammersmith  
London  
W6 8DA

## **Wednesday Midco Limited**

### **Directors' Responsibility Statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Wednesday Midco Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Wednesday Midco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or 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.

## **Independent auditor's report to the members of Wednesday Midco Limited (continued)**

### **Other information (continued)**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the anti-bribery act and employment laws.

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

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

## **Independent auditor's report to the members of Wednesday Midco Limited (continued)**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

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

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

### **Report on other legal and regulatory requirements**

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

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

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

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

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

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

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

We have nothing to report in respect of these matters.

### **Use of our report**

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

*Alistair Pritchard FCA*

Alistair Pritchard FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

30 May 2023

**Wednesday Midco Limited****Statement of Profit and Loss for the Year Ended 31 October 2022**

	Note	2022 £ 000	2021 £ 000
Administrative expenses		-	-
<b>Operating loss</b>		-	-
Finance costs	7	-	(11,075)
Finance income	7	-	8,558
<b>Loss before taxation</b>		-	(2,517)
Tax on loss	8	-	-
<b>Loss for the financial year</b>		-	(2,517)

The above results were derived from continuing operations.

There are no further recognised items of other comprehensive income for the current and preceding financial period and as a result no statement of other comprehensive income is presented.

**Wednesday Midco Limited****Statement of Financial Position as at 31 October 2022**

	Note	31 October 2022 £ 000	31 October 2021 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	221,691	221,691
Trade and other receivables	10	-	-
<b>Total non-current assets</b>		<u>221,691</u>	<u>221,691</u>
<b>Current assets</b>			
Trade and other receivables	10	-	1
<b>Total current assets</b>		<u>-</u>	<u>1</u>
<b>Total assets</b>		<u>221,691</u>	<u>221,692</u>
<b>Equity and liabilities</b>			
<b>Capital reserves</b>			
Called-up share capital	11	-	-
Capital contribution	11	-	184,867
Retained earnings	11	188,968	4,101
<b>Total equity</b>		<u>188,968</u>	<u>188,968</u>
<b>Non-current liabilities</b>			
Trade and other payables	12	30,816	30,816
<b>Total non-current liabilities</b>		<u>30,816</u>	<u>30,816</u>
<b>Current liabilities</b>			
Trade and other payables	12	1,907	1,908
<b>Total liabilities</b>		<u>32,723</u>	<u>32,724</u>
<b>Total equity and liabilities</b>		<u>221,691</u>	<u>221,692</u>

The financial statements of Wednesday Midco Limited (registered number: 11334241) were approved by the Board of Directors and authorised for issue on 26 May 2023.

They were signed on its behalf by:

DocuSigned by:  
  
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 C J McCavert  
 Director

**Wednesday Midco Limited****Statement of Changes in Equity for the Year Ended 31 October 2022**

	<b>Called-up share capital</b>	<b>Capital contribution</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>At 1 November 2020</b>	-	-	6,618	6,618
Loss for the year	-	-	(2,517)	(2,517)
Total comprehensive expense	-	-	(2,517)	(2,517)
Capital contribution	-	184,867	-	184,867
<b>At 31 October 2021</b>	-	184,867	4,101	188,968
<b>At 1 November 2021</b>	-	184,867	4,101	188,968
Loss for the year	-	-	-	-
Total comprehensive expense	-	-	-	-
Issue of shares/movement in capital contribution	-	(184,867)	184,867	-
<b>At 31 October 2022</b>	-	-	188,968	188,968

The notes on pages 15 to 26 form an integral part of these financial statements.



## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022

#### 1 General information

Wednesday Midco Limited (the "Company") is a private company limited by share capital, incorporated in the United Kingdom under the companies Act 2006 and is registered in England and Wales.

The address of its registered office is:

Shortlands 5th Floor  
3 Shortlands  
Hammersmith  
London  
W6 8DA  
England

The nature of the Company's operations and its principal activities of the Company are set out in the Strategic Report on pages 2 to 5.

The functional currency of Wednesday Midco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### 2 Adoption of new and revised standards

##### Amendments to IFRS that are mandatorily effective for the current year

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

##### *Amendments to References to the Conceptual Framework in IFRS Standards*

The Company adopts the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are:

- Interest rate benchmark reform – Phase 2: amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.
- COVID-19 Related Rent Concessions beyond 30 June 2021: amendments to IFRS 16

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 2 Adoption of new and revised standards (continued)

##### New and revised IFRS standards in issue but not yet effective

The following new standards and amendments of standards were issued by the IASB but are not effective for the financial year starting 1 November 2021.

Amendments to IAS 37	Onerous Contracts- Cost of Fulfilling a Contract	Effective 1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	Effective 1 January 2022
Amendments to IFRS 3	References to Conceptual Framework	Effective 1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	Effective 1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Effective 1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	Effective 1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	Effective 1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	Effective 1 January 2023
IFRS 17	Insurance Contracts	Effective 1 January 2023
Amendments to IFRS 16	Lease liability in a sale and leaseback	Effective 1 January 2024

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

#### 3 Accounting policies

##### Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention as modified by financial instruments recognised at fair value with respect to the derivatives. Historical cost is generally based on the full value of the consideration given in exchange for the goods and services.

##### Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of financial statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 3 Accounting policies (continued)

##### Summary of disclosure exemptions (continued)

- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(1) and 135(c)-135(e) of IAS 36 Impairment of Assets;

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Wednesday Topco Limited. The consolidated financial statements of Wednesday Topco Limited are publicly available and may be obtained from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA.

##### Exemption from preparing group financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by S400 of the Companies Act 2006 because it is a wholly-owned subsidiary of Wednesday Topco Limited which prepares consolidated financial statements in accordance with FRS 101 that are publicly available and may be obtained from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. These financial statements present information about the Company as an individual undertaking and not about its Group.

##### Going concern

The financial statements for the year ended 31 October 2022 have been prepared on a going concern basis. In adopting the going concern basis, the Directors have taken into consideration the wider Group's business activities and future outlook as noted in the review of the business on page 2, as well as the principal risks and uncertainties discussed on pages 2-4. As such, the Company's ability to continue as a going concern has been assessed by reference to the Group's performance.

In the current year, the impact of COVID-19 on the travel industry showed significant signs of improvement following the success of the UK's COVID-19 vaccination program in 2021 and the widespread relaxation of COVID-19 travel restrictions in the UK and most European holiday destinations from February 2022. This led to the total number of passengers the business successfully sent on holiday in 2022 increased to 1,470k compared to pre-COVID-19 2019 numbers of 1,028k.

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 3 Accounting policies (continued)

##### Going concern (continued)

Whilst the Group has shown strong signs of recovery, the UK's economic recovery post COVID-19 has been set back by the war in Ukraine resulting in record high fuel and energy prices and rising inflation. This, in turn, has had a direct impact on many consumers' willingness and financial ability to travel, particularly in recent months.

Our forecasting notes the downturn in the economy as a result of these macroeconomic factors will put pressures on consumers in 2023 after two difficult years during the pandemic, before returning to a level of stability in 2024.

Despite this, the Group is still confident it will grow in 2023 with expansion into new markets and growth in the current core market. A recent market survey revealed that more than two thirds of Brits (68%) still plan to travel in the foreseeable future, even if it means spending less on a holiday than they normally do. Therefore, strong consumer demand still exists and loveholidays, with its 'Spread The Cost' and 'Low Deposit' options, as well as its extensive holiday options including lower cost package holidays, means the business is in a strong market position going into 2023.

Whilst all forecast metrics have been prepared with the best information available and credible assumptions, the Directors have performed sensitivity analysis by reducing the key trading inputs listed below by 10%:

- Bookings and margin per transaction of -10% each (above and beyond the existing -8% assumptions already in place to account for cost of living)
- Conversion Rate
- Return on invested capital

In all the downside scenarios where each of the trading inputs are reduced by 10%, the business would continue to generate a positive EBITDA, and would not fall in breach of any loan covenants or regulatory requirements.

In line with the CAA offer letter for the Group's ATOL from 31 March 2023 to 31 March 2024, the CAA has required the Group to obtain and keep in force a bond. This was successfully secured by the main trading entity, We Love Holidays Limited, prior to the renewed licensing period.

The Group's senior debt agreement is between the Company and the debtholder, although the Group's position is considered when reviewing covenant compliance. The Company and Group have remained compliant with all debt covenants in the year.

Following the Group's successful completion of its fundraising exercises in 2020 and 2021, the Group's funding base is robust and no further fundraising has been required in the current year. The Group has a strong liquidity position with £50.9m cash in bank as at 31 October 2022 (2021: £27.0m). Of the Group's debt financing, only the £5.0m seasonal rolling credit facility will fall due within 12 months of the date of approval of these financial statements, which the Group has sufficient liquidity to settle upon maturity.

Based on these assessments, the Directors have strong reason to expect that the Group and Company will have sufficient resources to continue operating as a going concern for no less than 12 months from the date of approval of these financial statements. Additionally, given the robust financing position and strong trade expected in FY23, the Directors do not believe any material uncertainty exists with respect to going concern.

## **Wednesday Midco Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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

##### **Tax**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation is provided in full on timing differences which result in an obligation at the statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax and rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of the timing differences. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expected, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

##### **Investments**

Fixed asset investments are stated at cost less any provision for diminution in value and reassessed for impairment annually.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit or loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 3 Accounting policies (continued)

##### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

##### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the risk financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### *Fair value of financial assets and liabilities*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

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

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

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

##### i) Investments

Investments represents the excess of the fair value of the consideration and the fair value of the net assets acquired. Judgement is required in determining the fair value of both the net assets acquired and the consideration.

The Company tests investments annually for impairment, or more frequently if there are indications that investments might be impaired. The Directors have adopted the value in use methodology based on Board approved forecasts. Cashflows are discounted at pre-tax discount rate. Refer to note 9 for further details.

##### Key source of estimation uncertainty

The Directors do not consider there to be any key sources of estimation uncertainty, as the loans and borrowings previously held by the Company were waived in April 2021 as part of the prior year fundraising exercise.

#### 5 Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £14.8k (2021: £8.7k). This amount was borne by the Company's subsidiary Want2bthere Limited.

The total fees payable in relation to non audit services were £nil (2021: £nil).

#### 6 Staff costs

The Company does not have any employees (2021: nil). No Directors' remuneration was paid by the Company during the year (2021: £nil). Directors' remuneration is disclosed within the financial statements of the parent company, Wednesday Topco Limited.

#### 7 Net finance (cost)/income

	2022 £ 000	2021 £ 000
Interest payable on loan notes	-	(9,887)
Interest payable on inter-company loans	-	(1,188)
Interest receivable on inter-company loans	-	8,558
	<u>-</u>	<u>(2,517)</u>

#### 8 Tax on loss

Tax charged in the statement of profit and loss:

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-
Tax expense in the statement of profit and loss	<u>-</u>	<u>-</u>

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 8 Tax on loss (continued)

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
(Loss) before taxation	-	(2,517)
Corporation tax at standard UK tax rate of 19% (2021: 19%)	-	(478)
Expense not deductible	-	2,230
Effects of group other reliefs	-	(1,400)
Amounts not recognised	-	(352)
Total tax charge	-	-

At the end of the reporting period the Company had an unrecognised deferred tax asset of £nil (2021: £nil) in relation to tax losses.

The tax charge for the year is based on the effective rate of UK corporation tax for the period of 19% (2021: 19%). An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

#### 9 Investments

	2022 £ 000	2021 £ 000
Investments in subsidiaries	221,691	221,691
<b>Subsidiaries</b>		<b>Shares in group undertakings</b>
<b>Cost</b>		<b>£ 000</b>
At 1 November 2021		221,691
Additions		-
At 31 October 2022		221,691
<b>Carrying amount</b>		
At 31 October 2022		221,691
At 31 October 2021		221,691



## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 9 Investments (continued)

##### Details of undertakings Subsidiary undertakings

	Country of registration or incorporation	Class	Shares held %	Principal activity
Wednesday Bidco Limited	England	Ordinary	100	Holding company
Want2bthere Limited*	England	Ordinary	100	Provision of head office services
We Love Holidays Limited*	England	Ordinary	100	Exploitation of intellectual property
WLH US Holding Limited*	England	Ordinary	100	Holding company
We Love Holidays Ireland Limited*	Ireland	Ordinary	100	Holding company
We Love Holidays LLC*	U.S.	Ordinary	100	Collection agent
Amamos Las Vacaciones SL*	Spain	Ordinary	100	Provision of contracting services

\* Held indirectly by a subsidiary undertaking.

The registered address for all the UK based subsidiaries is 5th Floor, 3 Shortlands, Hammersmith, London, W6 8DA. The registered address for We Love Holidays LLC is 1201 Hays Street, Tallahassee, Florida, U.S. 32301. The registered address for Amamos Las Vacaciones SL is Paseo Del Borne 143, 07012-Palma de Mallorca, Mallorca. The registered address of We Love Holidays Ireland Limited is Unit 9 – Oriel Hub, Finnabair Industrial Estate, County Louth, Ireland.

The Company, as the guarantor to the Group's senior debt facility, has a fixed charge over its entire investment in Wednesday Bidco Limited to secure the borrowings. There is also a fixed charge over Wednesday Bidco Limited's investment held in Want2bthere Limited. The Group had drawn down on £40.0m (2021: £40.0m) in relation to the senior debt facility and had drawn down £8.0m (2021: £nil) on the revolving committed facilities at the year end.

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 10 Trade and other receivables

	31 October 2022 £ 000	31 October 2021 £ 000
<b>Amounts falling due within one year:</b>		
Amounts due from subsidiary undertakings	-	1
	<u>-</u>	<u>1</u>
	31 October 2022 £ 000	31 October 2021 £ 000
<b>Amounts falling due after more than one year:</b>		
Amounts due from subsidiary undertakings	-	-
	<u>-</u>	<u>-</u>
	-	1
	<u>-</u>	<u>1</u>

#### 11 Called-up share capital

##### Allotted, called-up and fully paid shares

	31 October 2022		31 October 2021	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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

The Company's other reserves are as follows:

##### *Retained earnings*

The retained earnings account represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

##### *Capital contributions*

The capital contributions reserve relates to shares confirmed to be issued by the Board, but not yet issued.

## Wednesday Midco Limited

### Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)

#### 12 Trade and other payables

	31 October 2022 £ 000	31 October 2021 £ 000
<b>Amounts falling due within one year:</b>		
Amounts due to ultimate parent company	587	587
Amounts due to subsidiary undertakings	1,320	1,321
	<u>1,907</u>	<u>1,908</u>
 <b>Amounts falling due after more than one year:</b>		
Amounts due to ultimate parent company	30,816	30,816
	<u>30,816</u>	<u>30,816</u>

Amounts owed due to parent and subsidiaries are unsecured, interest free and payable on demand.

#### 13 Related party transactions

As a qualifying entity, the Company has taken advantage of the exemption under FRS 101 not to disclose transactions with wholly owned Group companies.

	31 October 2022 £ 000	31 October 2021 £ 000
<b>As at 1 November</b>	-	167,602
Loan notes released by a shareholder with significant influence	-	(145,987)
Loan notes released by key management personnel	-	(5,856)
Interest charged on loan notes issued to a shareholder with significant influence	-	6,505
Interest charged on loan notes issued to key management personnel	-	354
Interest released on loan notes released by a shareholder with significant influence	-	(16,833)
Loan notes and interest derecognised on key management personnel deemed no longer so	-	(4,299)
Interest released on loan notes released by key management personnel	-	(1,486)
<b>As at 31 October</b>	<u>-</u>	<u>-</u>

## **Wednesday Midco Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

#### **14 Parent and ultimate parent undertaking**

The Company's immediate parent is Wednesday Topco Limited. These financial statements are available upon request from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA.

The largest and smallest group of which Wednesday Midco Limited is a member and for which consolidated financial statements are prepared by Wednesday Topco Limited with the registered address of 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. Copies of consolidated financial statements can be obtained from the Company Secretary at the aforementioned registered address.

In the opinion of the directors, there is no individual party identified as the ultimate controlling party but instead the Directors consider Livingbridge EP LLP to be the ultimate controlling company. The registered address of the ultimate controlling company is 100 Wood Street, London, EC2V 7AN.

#### **15 Events after reporting date**

There are no events to report after the reporting date.