

Registration number: 11334338

Wednesday Bidco Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2022



Wednesday Bidco Limited

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Wednesday Bidco Limited

Company Information

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

Wednesday Bidco Limited

Strategic Report for the Year Ended 31 October 2022

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

Principal activity

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

Review of the business

The loss for the year was £33.4m (2021 restated: £32.0m), and the net assets position was £97.8m (2021 net assets restated position: £131.2m). Operating loss for the year was £480k (2021: £618k), inclusive of £nil (2021: £356k) of operating exceptional items. Current year net finance costs were £32.9m (2021 restated: £31.4m). The restatement of the prior year comparative is detailed in Note 3.

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 19.

Principal risks and uncertainties

The key business 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 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 has 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 business 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.

Wednesday Bidco Limited

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

Principal risks and uncertainties (continued)

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. 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 new 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. Future regulations are likely to have a similar impact. The Wider Group ensured GDPR compliance by the implementation date which came into effect in May 2018.

The Wider 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 Wider Group has additional responsibilities and liabilities to the customers 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 Wider Group compensating the customer if something goes wrong but has been mitigated by counter claims lodged by the Wider 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.

Wednesday Bidco Limited

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

Principal risks and uncertainties (continued)

Regulatory risk (continued)

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.

Supply risk

The Wider 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 Wider 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 Wider Group purchases flights from a number of airlines and purchases these flights using virtual cards which are protected by chargeback rights. The Wider Group's hotel portfolio includes larger bed banks and also direct relationships with hotel chains. The Wider 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 Wider 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.

Financial risk

The Group uses external financing provided by its parent companies to support its strategy. The parent companies provide financing with a combination of equity, senior bank debt, long term loan notes, long term preference shares and deferred consideration.

In May 2018, the Wider Group raised senior debt funding from a syndicate of five financially stable lenders for a seven-year term which were subject to financial covenants and undertakings that the Directors monitor. Since then, the Group successfully executed two fundraising agreements to provide the business with sufficient liquidity during COVID-19 lockdowns. As part of the fundraising which occurred in the prior year, the existing Loan notes of £131.3m held by Wednesday Midco Limited, a wholly owned subsidiary of Wednesday Topco Limited, were converted into preference shares in Wednesday Topco Limited. A further £56.0m of funding was secured through the issuance of £51.0m of D loan notes by Wednesday Bidco Limited and £5.0m seasonal Revolving Credit Facility (RCF). The D Loan notes attract a redemption premium of 4x the principal. Upon completion of this recent fundraising exercise, the Directors consider the funding base of the Company and the Wider Group to be robust and no further fundraisings have been required in the current year.

The majority of the Group's financing has a fixed interest rate due to be paid off upon redemption – as such the exposure to interest rate volatility affects only the minority portion of the Group's financing. The loan notes and preference shares, which are subordinate to the senior debt, and some of which are subject to a redemption premium as detailed in Note 16, are repayable at the earlier of an exit event or 2026 and 2027 respectively.

Wednesday Bidco Limited

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

Principal risks and uncertainties (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. Refer to note 9 to the financial statements for further details of supplier administration gains/(losses).

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

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 Bidco Limited

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

Employee Inclusion

Management believes in the practical daily commitment to promoting equality of opportunity in the workplace and wants to nurture a sense of belonging through a fully integrated, inclusive community at work. The Group welcomes job applications from all backgrounds and wants all applicants to feel they can belong to the business, providing reasonable adjustments during the recruitment process when requested.

The Group gives full and fair consideration to all requests for reasonable adjustments from employees and has engaged an occupational health provider to provide advice and guidance in this area. Now that a hybrid working model has been adopted, provision has been made to ensure that employees are set up to work as comfortably as possible from home as well as in the office. The Group also continues to maintain an Employee Assistance Programme to provide independent, confidential support and advice, including counselling, to all employees who may need it.

In the quarterly employee surveys, among the highest scoring questions are those which ask whether employees feel they can be themselves at work and that their colleagues are inclusive. The Group has supported employee-led initiatives for Pride in 2022 as well as a group for Women in Technology, who will be hosting a workshop at this year's Women of Silicon Roundabout conference. As part of a wider review of our employee benefits, the Group has increased both company maternity and paternity pay.

Employee engagement

The Directors recognise the importance of keeping employees informed about current and future business plans. The monthly all-hands meetings continue and are now conducted in person, which has improved engagement. The Group has used these sessions to share information about business strategy and trading performance as well as to celebrate hard work and success.

This year also saw the Group's first all-company offsite day to provide employees with details about the Group's strategic plans and new brand identity. This event offered information sharing, individual workshops to cover the content in more detail and a Q&A with the Executive team, which was very well-received. In addition, the Group has consulted with employee volunteers in developing new initiatives, most recently holding focus groups to take feedback on the Group's people promise which is intended to express what employees should expect from their time at loveholidays and what is asked of them in return.

The Group now carries out full engagement surveys each quarter with monthly pulse surveys in between to regularly monitor both overall engagement and the impact that any changes or initiatives have had. The Group uses the aggregate response to three questions asked each month to calculate the overall engagement score and saw this reach the highest ever level of 85% in September 2022. The results and comments from each survey are analysed and shared with Executive members so they can identify and address specific issues.

Wednesday Bidco Limited

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

Section 172(1) statement

This section forms the Company's Section 172(1) Statement and should be read in conjunction with the rest of the Group's strategic report set out on pages 2 to 6. The Company is the holding company of a group of companies that includes operating subsidiaries. As such, the key issues, stakeholders and the methods of engagement described below, are those that the Directors have identified as being relevant to the Company and the Wider Group. The Directors are aware that their statutory duties are owed directly to the Company and that the interests of the Company and the other companies within the Group are closely aligned. Accordingly, the decisions and policies affecting these stakeholders may be made at a Group level, or by the Directors of the Company.

Engaging with stakeholders

Key issues identified during the year and how the Group engages with relevant stakeholders with respect to these issues is set out below:

Cost of Living Crisis

Following a downturn in the economy as a result of the COVID-19 pandemic, the war in Ukraine and other macroeconomic factors, the UK is experiencing a cost of living crisis. The fall in household disposable income as a result of this impacts consumer spending habits and affects the 'real term' income of our employees.

i. Customers

As the cost of living increases, customers are more likely to focus on seeking value for money. loveholidays' ability to offer competitively priced holidays with multiple payment options and package flexibility is more important than ever.

loveholidays has an unmatched product offering with over 35,000 hotel options and 500 billion possible holiday packages to suit all budgets. The business offers customers four different ways of paying, including 'Low Deposit' options and 'Spread The Cost'. Once a holiday has been booked, we provide customers the option to change payment dates within our secure 'Manage My Booking' tool, adding additional payment flexibility for customers in a period of economic uncertainty.

As a member of ATOL, holidays booked through loveholidays are financially protected, providing reassurance and peace of mind to our customers. There are UK entities in the Group that are regulated by the Civil Aviation Authority and our Ireland trading is regulated by the Kammarkollegiet. Regular reporting is provided to regulators to evidence the Group's adequate protection of customer monies.

ii. Employees

The cost of living crisis has affected everyone in the UK, including our employees. With many of our colleagues operating under a hybrid working model, the impact of higher energy prices is felt by employees when working from home.

The employing entities in the Group are Want2bthere Limited and Wednesday Bidco Limited. In response to the cost of living crisis, Management communicated a bonus in the year of at least £1,250 for all employees. In October, employee salaries increased by an average of 5.0%, effective from 1st November 2022, to further support our staff during a time of higher energy and living costs. As part of a wider review of our employee benefits, the Group also increased both company maternity and paternity pay during the year.

Rising interest rates

Since FY21, the Bank of England has raised interest rates twelve times from 0.1% in November 2021 to 4.5% in May 2023 as a response to rising inflation. This increases the cost of borrowing and has a direct impact on financial trading.

i. Loan Note Holders

Monthly reporting is provided in line with lender reporting requirements. As the rates at which we borrow is fixed, interest rate volatility does not affect the finance cost associated with the loan notes.

Wednesday Bidco Limited

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

Section 172(1) statement (continued)

Rising interest rates (continued)

ii. Senior Debt Lenders

We report regularly to our senior debt lenders to keep them abreast of key developments within the business in line with lender reporting requirements. Weekly short term cash flow forecasts, which consider inflation and interest rates, are prepared projecting forward 13 weeks from actual reporting date. These are scrutinised by Management to ensure sufficient headroom is maintained against lender covenants. The senior debt facility is subject to a variable rate whilst other debt is at stepped interest rates. The majority of the Group's financing is from the issued D Loan notes, which have a fixed interest rate due to be paid off upon redemption – as such the exposure to interest rate volatility affects only the minority portion of the Group's financing.

COVID 19 Omicron variant

In the winter of 2021, the emergence of the Omicron variant once again posed challenges and further uncertainty to the travel industry and the UK at large. The prolonged impact of COVID-19 continued to be felt in summer months with flight cancellations leading to travel disruption and operational challenges.

i. Customers

The Group provides clear and transparent information on our website (e.g. FAQ and travel information pages) and maintains regular communication and contact with customers at the beginning of their holiday search through to their arrival at their holiday destination and also post-holiday. Communications are through online portals ('Manage My Booking'), phone calls, online chats, emails and text messages. The Group also invests in our social media presence to provide both proactive and reactive communications to customers.

Maintaining regular communication with our customers through all these channels has been of utmost importance during the COVID-19 pandemic. We have invested heavily in our customer experience team over the COVID-19 period to ensure we can provide a 'best in class' service to our customers. The result of this investment is now recognised in our 4.2 out of 5 'great' Trustpilot score for overall customer satisfaction.

ii. Suppliers

There are several KPIs in place with suppliers who are kept informed regarding any issues that may arise. Building strong working relationships with our suppliers and partners is vital to the operational success of our business. Effective engagement is critical for ensuring that we can offer a diverse and quality range of travel products and for obtaining value for money. We rely on our suppliers to help meet our customers' needs and to ensure the reliability of our services.

Excess flight cancellations in the summer months impacted our hotel and ancillary providers. We successfully managed this period of disruption by ensuring regular communication to minimise the impact of short notice cancellations on suppliers.

iii. Regulators

The Civil Aviation Authority ('CAA') oversees the ATOL scheme which protects customers' monies in the event of a travel company failure. We hold a portion of our total liquidity in escrow, calculated as a percentage of gross advance receipts accepted in the previous month in line with our CAA agreement, which is ring-fenced to protect consumers.

We prepare detailed cashflow forecasts which considers liquidity post-escrow and monitors our projected outlook against CAA covenants. We engage with the CAA regularly and communicate the results of any pertinent findings from re-forecasting for changes in economic or trading environment.

Wednesday Bidco Limited

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

Section 172(1) statement (continued)

War in Ukraine

The Directors are extremely saddened by the ongoing war in Ukraine. The wider impact of the war has affected consumer confidence, available holiday destinations and resulted in record-high fuel prices.

i. Suppliers

Our suppliers have felt the effect of rising fuel prices which in turn has affected the margins for many flight operators. We support our flight and hotel partners through effective, innovative marketing strategies which, despite some cost increases due to rising fuel prices, drives consumer engagement and ultimately converts to bookings with our chosen suppliers.

ii. Customers

As a result of the conflict, some of the destinations airlines would normally fly to, and hotels in territories affected by the war, are no longer available.

loveholiday's technology focussed consumer travel website provides an agile solution in an ever-changing world. Our website gives us the capability to adapt the available destinations and hotels to reflect current restrictions and government advice, thereby minimising the impact of destination disruption to consumers.

iii. Community and Environment

The Group proactively contributes to local community schemes and promotes energy and sustainability initiatives in the workplace and wider community. In the current financial year, the Group made donations to charities to support the relief efforts in Ukraine.

Decision making

The Board of Directors has delegated the day to day running of the business to the executive management team. The Directors receive regular and timely information on all aspects of the business from the management team and report regularly to the board. The board makes decisions after debating and carefully considering all management information received, which includes the relevant stakeholder considerations.

Example of strategic decision-making process and execution

An example of strategic decision making during the financial year was the board approved decision to expand into the German Market in 2023. Following outstanding performance in FY22 and a strong financial recovery from COVID-19, the Group is now entering its next phase of growth which has included the development of our platform to be more scalable to enter into international markets. With consultation throughout the process with major shareholders, regulators and advisors, Germany represents an exciting growth avenue for FY23 as the biggest market in Europe with structural factors closely aligned to the Group's business proposition.

Throughout the decision-making process, communications with major shareholders and lenders has been key. Stress testing and sensitivity analysis has been applied to cash flow forecasts to ensure we are able to deliver future growth whilst maintaining sufficient headroom above our existing liquidity covenants.

As a Group, regular 'all hands' meetings are held to update the employees on business performance, long-term growth strategies and other key issues. In October 2022, the Group conducted an offsite Strategy and Brand Day open to all employees where the plans for the business' future growth was presented. Employees are given opportunities to provide feedback to executive management on any key decisions during the year.

Wednesday Bidco Limited

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

Streamlined Energy and Carbon Reporting (SECR)

The Group's energy consumption, in kilowatt-hours (kWh), and associated greenhouse gas emissions, in tonnes of carbon dioxide equivalent (tCO₂e), and additional related information for the year, as required under the Companies Directors' Report and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are stated below.

	2022	2021
Emissions from the combustion of fuel and operation of facilities (Scope 1) (tCO ₂ e)	-	-
Emissions from purchase of electricity (tCO ₂ e) (Scope 2) (location-based)	17.3	16.6
Total gross emissions based on the above (tCO₂e)	17.3	16.6
Energy consumption used to calculate Scope 1 emissions (kWh)	-	-
Energy consumption used to calculate Scope 2 emissions (kWh)	91,088	79,226
Total energy consumption based on above (kWh)	91,088	79,226
Intensity ratio: tCO₂e (gross Scope 1 + 2) per full-time equivalent (FTE)	0.09	0.06

The footprint for the year ended 31 October 2022 is equivalent to 17.3 tCO₂e (2021: 16.6) and 0.09 tCO₂e (2021: 0.06) per FTE. This estimate covers all of the Group's UK operations that are consolidated in the financial statements and the sites used to conduct these operations.

Methodology

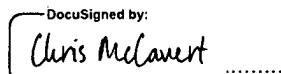
The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2019). Responsibility for emissions sources was determined using the operational control approach. Energy was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2022.

Energy efficiency action

The Group office is a leased, serviced office controlled by the lease provider. Energy efficiency measures included in the leased office includes fitted LED lighting with movement sensors, air conditioning units which can be controlled individually by facilities staff, and power down options of IT equipment to reduce energy usage in unoccupied areas.

COVID-19 presented the chance to utilise remote working technologies and the hosting of online meetings, thereby reducing the Group's environmental impact in the prior year. This has continued in the current year with hybrid office working for employees.

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

DocuSigned by:

 FB8AA442ABA14F8...
 C J McCavert
 Director

5th Floor
 3 Shortlands
 Hammersmith
 London
 W6 8DA

Wednesday Bidco Limited

Directors' Report for the Year Ended 31 October 2022

The Directors present their annual report on the affairs of the Wednesday Bidco 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 5 and form part of this report by cross reference.

Engaging with stakeholders

Details of how the Group engages with relevant stakeholders with respect to key issues identified during the year can be found in the Strategic Report on pages 2-9 and form part of this report by cross-reference.

Streamlined Energy and Carbon Reporting (SECR)

Details of Streamlined Energy and Carbon Reporting can be found in the Strategic Report on page 10 and forms part of this report by cross-reference.

Events after the reporting date

Details of reportable events after the reporting date can be found in note 20.

Financial risk management objectives and policies

The Company's principal financial instruments comprise intercompany loans and cash. The main purpose of these financial instruments is to provide funding for the Company's operations. The Company also has an interest rate option which was entered into to mitigate the risk of interest rate volatility.

The Company's activities expose it to a number of financial risks including liquidity risk and interest rate risk. The Company reviews and agrees policies for managing each of these risks as detailed below:

Liquidity risk

Working capital requirements are constantly monitored and the Directors consider there to be adequate working capital within the business to balance existing operations and deliver the Wider Group's growth strategy.

Interest rate risk

Interest is charged on the various debt components negotiated by the Wider Group in May 2018 and the fundraising within the prior year. The senior debt facility is subject to a variable rate whilst other debt is at stepped interest rates. The majority of the Wider Group's financing is from the issued D Loan notes held by the Company, which have a fixed interest rate due to be paid off upon redemption – as such the exposure to interest rate volatility affects only the minority portion of the Wider Group's financing. Management has conducted a sensitivity analysis to understand the impact of a change in SONIA to the carrying value of the senior debt. SONIA would need to move by 90 bps (29%) in order to have a material impact on the carrying value of the senior debt. This sensitivity assumes that SONIA remains at the adjusted rate until the expected redemption date of the debt - in practice there would be fluctuations in both directions over time, such that this scenario is rendered less probable. Additionally, SONIA has been at a fifteen year high since December 2022 - the business is anticipating that this rate will reduce over time as the UK economy recovers.

Dividends

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

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 2-5.

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 Bidco Limited

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

Going concern (continued)

Whilst the Wider 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 Wider 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%) said they still plan to travel in the foreseeable future, even if it means spend a less on a holiday than they normally do. Therefore, there is still strong consumer demand 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 in to 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.

As outlined in the Strategic Report, following the Wider Group's successful completion of its fundraising exercises in 2020 and 2021, the Wider Group's funding base is robust and no further fundraising has been required in the current year. The Wider Group has a strong liquidity position with £50.9m cash in bank as at 31 October 2022 (2021: £27.0m). Of the Wider Group's debt financing, only the £5m 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.

Directors of the Company

The Directors, who held office during the year and subsequently, 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.

Political contributions

There are no political contributions made during the year (2021: £nil).

Wednesday Bidco Limited

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

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:

FB6AA42ABA14F8...
C J McCavert
Director

5th Floor3
Shortlands
Hammersmith
London
W6 8DA

Wednesday Bidco Limited

Directors' Responsibilities 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 year.

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 Bidco Limited

Report on the audit of the financial statements

1) Opinion

In our opinion the financial statements of Wednesday Bidco 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 loss 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; and
- the related notes 1 to 20.

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).

2) 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 as applied to listed entities, 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.

3) Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> • <i>Valuation of unlisted investments</i>
Materiality	The Company is part of the wider Wednesday Topco Limited group ("group company"), therefore to ensure the extent of the procedures performed are sufficient to support the group audit opinion, we capped the Company's materiality at £0.816m which represents 0.3% of the Company's total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There are no significant changes in our approach in comparison to prior period.

4) 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.

Independent Auditor's Report to the Members of Wednesday Bidco Limited

4) Conclusions relating to going concern (continued)

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the historical accuracy of forecasts prepared by management.
- Assessing the assumptions used in the forecasts, including the discount rate, and growth rate.
- Evaluating the amount of headroom in the forecasts in order to meet the group's covenant compliance requirements.
- Assessing the appropriateness of the going concern disclosures in the financial statements

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.

5) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Valuation of unlisted investments

Key audit matter description	<p>The company has unlisted investments of £274.7m as at 31 October 2022, valued at cost less provision for impairment as per FRS 101. These investments comprise investments in Want2bthere Limited and are highly material to the company as they account for 99.8% of total assets.</p> <p>Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as the trading performance, the expected revenue growth and discount rates.</p> <p>Management assesses the investment for impairment by preparing a discounted cashflow model for the group company as there is only one cash generating unit within the group.</p> <p>Further details are included within note 13 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of relevant controls related to the valuation of unlisted investments.</p> <p>We obtained the most recent audited financial information of the related investments to determine whether they supported the carrying value.</p> <p>We reviewed key assumptions used when determining the carrying value by benchmarking against industry peers. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.</p> <p>In addition to the above procedures, we obtained and challenged the discounted cashflow of the group company, including the forecasts of the investee's underlying subsidiaries, by performing the following procedures:</p> <ul style="list-style-type: none"> • assessed how management have determined the cash generating units; • assessed the reasonableness of revenue and costs forecasts; • evaluated how the discount rate was determined; and • assessed the cash flow projections by checking the reasonableness of the inputs used such as the growth rate and the discount rate.
Key observations	<p>Based on the work performed we concluded that the valuation of unlisted investments is appropriate.</p>

Independent Auditor's Report to the Members of Wednesday Bidco Limited

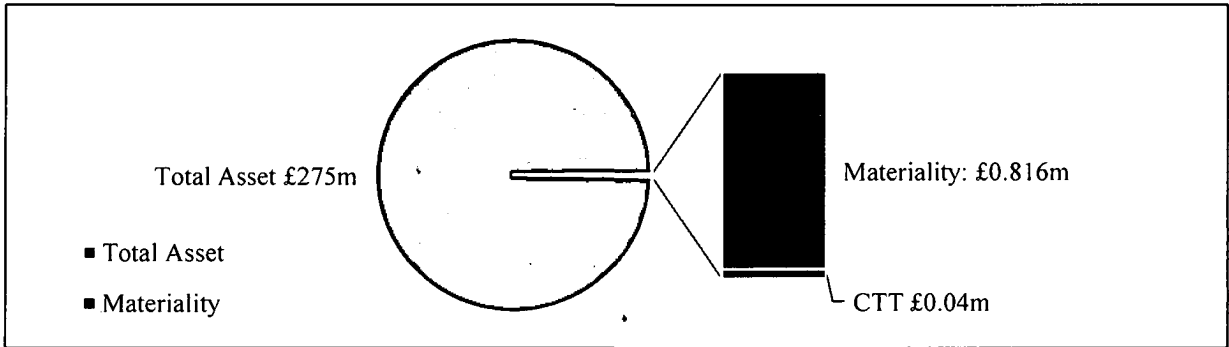
6) Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£0.816m
Basis for determining materiality	0.3% of total assets As this entity is part of the group company, we restricted our materiality to £0.816m to reflect our assessment of the risks in this entity as a member of the group. This materiality has been applied for the statutory audit to ensure the extent of the procedures performed are sufficient to also support the group audit opinion.
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit. In determining performance materiality, we considered quality of the control environment, whether we were able to rely on controls and the fact that there was no material misstatement identified in the prior year.

6.3 Error reporting threshold

We agreed with the Board of Directors that we would report to the directors all audit differences in excess of £0.04m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7) An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Independent Auditor's Report to the Members of Wednesday Bidco Limited

7) An overview of the scope of our audit (continued)

7.2 Our consideration of the control environment

With the involvement of our IT specialist we obtained an understanding of the relevant IT environment and relevant General IT Controls (GITC). There have been no changes to the IT environment in the current period. Key IT systems relevant to the audit are the financial accounting system and the reservation system. We have not relied on IT controls for the purpose of our audit in either the current or prior year.

7.3 Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group continues to develop its assessment of the potential impacts of environmental related risks, including climate change, as outlined in management's strategic report on page 2-10.

As a part of our audit, we have made enquiries of management to understand the processes in place to assess the potential impact of climate change on the business and the financial statements. We have read the disclosures in relation to climate change made in the other information within the annual report to consider whether the disclosures are materially consistent with the financial statements and our knowledge obtained in our audit.

8) Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9) 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.

10) Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report to the Members of Wednesday Bidco Limited

11) 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax legislation and employment laws.

In addition, we considered provisions of other laws and regulations that 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 company's operating licences.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the licensing authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report to the Members of Wednesday Bidco Limited

12) 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.

13) Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14) 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
EC4A 3HQ

Date: 30 May 2023

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

		2022	<i>*Restated</i>
	Note	£ 000	2021 £ 000
Revenue	5	1,210	1,091
Administrative expenses		(1,690)	(1,353)
Other operating exceptional items	9	-	(356)
Operating loss	10	(480)	(618)
Finance costs	11	(21,233)	(20,926)
Finance income	11	60	2,489
Fair value loss on embedded derivatives	11	(11,710)	(12,926)
Loss before taxation		(33,363)	(31,981)
Tax on loss	12	-	-
Loss for the financial year		<u>(33,363)</u>	<u>(31,981)</u>

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.

*The prior year comparatives have been restated. Please refer to Note 16 (Loans and Borrowings).

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

		31 October 2022 £ 000	*Restated 31 October 2021 £ 000
Assets			
Non-current assets			
Investments	13	274,744	274,744
Total non-current assets		<u>274,744</u>	<u>274,744</u>
Current assets			
Trade and other receivables	14	611	727
Cash at bank and in hand		48	-
Total current assets		<u>659</u>	<u>727</u>
Total assets		<u>275,403</u>	<u>275,471</u>
Equity and liabilities			
Capital reserves			
Called-up share capital	15	-	-
Capital contribution	15	-	221,696
Retained earnings	15	97,848	(90,485)
Total equity		<u>97,848</u>	<u>131,211</u>
Non-current liabilities			
Loans and borrowings	16	144,027	112,148
Total non-current liabilities		<u>144,027</u>	<u>112,148</u>
Current liabilities			
Trade and other payables	17	23,507	22,125
Loans and borrowings	16	10,021	9,987
Total current liabilities		<u>33,528</u>	<u>32,112</u>
Total liabilities		<u>177,555</u>	<u>144,260</u>
Total equity and liabilities		<u>275,403</u>	<u>275,471</u>

*The prior year comparatives have been restated. Please refer to Note 16 (Loans and Borrowings).

The financial statements of Wednesday Bidco Limited (registered number: 11334338) were approved by the Board of Directors and authorised for issue on 26 May.

They were signed on its behalf by:

DocuSigned by:

 FB8AA442ABA14F8...
 C J McCavert
 Director

The notes on pages 24 to 40 form an integral part of these financial statements.

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

	Called-up share capital	Capital contribution	Retained earnings	Total
	£ 000	£ 000	£ 000	£ 000
At 1 November 2020	-	-	(58,504)	(58,504)
Loss for the year	-	-	(38,276)	(38,276)
Restatement*	-	-	6,295	6,295
Total comprehensive expense	-	-	(31,981)	(31,981)
Capital contribution	-	221,696	-	221,696
At 31 October 2021	-	221,696	(90,485)	131,211
At 1 November 2021	-	221,696	(90,485)	131,211
Loss for the year	-	-	(33,363)	(33,363)
Total comprehensive expense	-	-	(33,363)	(33,363)
Issue of shares/movement in capital contribution	-	(221,696)	221,696	-
At 31 October 2022	-	-	97,848	97,848

The notes on pages 24 to 40 form an integral part of these financial statements.

Wednesday Bidco Limited

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

1 General information

Wednesday Bidco 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:

5th Floor3
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 10.

The functional currency of Wednesday Bidco 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 Group adopts the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards. 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 Bidco 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 Financial Reporting Council ("FRC"). Accordingly these financial statements were prepared in accordance with Financial Reporting Standards 101, Reduced Disclosures 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;
- 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 Bidco 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;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

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.

Prior year restatement

The D loan notes have been assessed to contain an embedded derivative. Following this assessment, the carrying value of the D loan notes has been restated from £73.3m to £19.7m, and an embedded derivative financial liability of £47.3m has been recognised in the financial statements. This has resulted in an overall decrease in the aggregate value of the combined instrument of £6.3m. This has been reflected as a profit or loss impact in the prior year as a £6.3m reduction in net finance costs which is also reflected in the opening retained earnings balance for the current year.

The impact of the changes to the balance sheet as of October 31 2021 are as follows:

	As previously reported £000	Restated £000
Loans and borrowings (non-current)	118,443	112,148
Retained earnings	(96,780)	(90,485)

The impact of the changes to statement of profit and loss for the year ending October 31 2021 are as follows;

	As previously reported £000	Restated £000
Finance costs	(40,147)	(33,852)
Loss before taxation	(38,276)	(31,981)
Loss for the financial year	(38,276)	(31,981)

The prior year finance costs were presented as 'Net finance costs', and as such had a £2,490k gain on debt extinguishment included against the figure on the face of the statement of profit and loss. These have been presented separately in the statement of profit and loss in FY22.

Wednesday Bidco Limited

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

3 Accounting policies (continued)

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 2-5.

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.

Whilst the Wider 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 Wider 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%) said they still plan to travel in the foreseeable future, even if it means spend a less on a holiday than they normally do. Therefore, there is still strong consumer demand 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 in to 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.

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.

As outlined in the Strategic Report, following the Wider Group's successful completion of its fundraising exercises in 2020 and 2021, the Wider Group's funding base is robust and no further fundraising has been required in the current year. The Wider Group has a strong liquidity position with £50.9m cash in bank as at 31 October 2022 (2021: £27.0m). Of the Wider Group's debt financing, only the £5m 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 Bidco Limited

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

3 Accounting policies (continued)

Revenue recognition

Revenue relates to the recharges of management services to other Group companies. Revenue is recognised at the point performance obligations are met.

Operating exceptional items

The Company recognises as operating exceptional items costs incurred that arise from events or transactions that fall outside the normal course of business.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 reporting date.

Deferred taxation is provided in full on timing differences which result in an obligation at the reporting 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to scale of the asset. In other cases, 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.

Wednesday Bidco Limited

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

3 Accounting policies (continued)

Investments

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

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Loans and 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.

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.

Pension costs

The Wider Group makes contributions into defined contribution plans. The Wider Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

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.

Wednesday Bidco Limited

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

3 Accounting policies (continued)

Financial assets and liabilities (continued)

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.

i) Impairment of investments

The Company reviews its investments in subsidiaries annually to identify any indicators of impairment. The inputs within the models used to calculate the value in use of the Company's subsidiaries are subject to Management's judgement. See note 13 for further details.

ii) Fair value of embedded derivatives

The Company has recognised an embedded derivative on the D loan notes. This is classified as a level 3 fair value instruments and, as such, is subject to a high level of management judgement in order to ascertain the fair value as at the year end. See Note 16 for more detail.

iii) Expected exit date

The Company has long term financial liabilities which are repayable at the earlier of an exit event and the contractual maturity date, as detailed in Note 16. Therefore the estimation of when this exit event will occur is a key judgement for the Company, as it materially impacts the amortised cost of the financial liabilities and the finance cost for the year.

Key source of estimation uncertainty

The Directors consider the following to be the key sources of estimation uncertainty with significant effect on the amounts recognised in the financial statements.

i) Financial instruments - loans and borrowings

The Company recognises loans and borrowings at amortised cost less any directly attributable issue costs. The interest expense is spread over managements' best estimate of the life of the loans and borrowings. Details of the Company's loans and borrowings are included in Note 16.

Wednesday Bidco Limited

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

5 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2022	2021
	£ 000	£ 000
Management recharges	1,210	1,091

All turnover is attributable to the United Kingdom.

6 Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £29.2k (2021: £17.2k). This amount was borne by the Company's subsidiary Want2bthere Limited.

7 Staff costs

The number of Company employees disclosed is the monthly average number in line with Companies Act requirements. The average number of persons employed by the Company (including Executive Directors) during the year was as follows:

	2022 Number	2021 Number
Administration	3	5
IT	1	2
	4	7

The aggregate payroll costs (including Executive Directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	1,006	906
Social security costs	153	117
Defined contribution pension costs	35	25
	1,194	1,048

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company including the Directors of the Company listed on page 12.

No further key management personnel are considered in addition to the Directors.

Wednesday Bidco Limited

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

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2022 £ 000	2021 £ 000
Emoluments	1,199	649
Company contributions to money purchase pension schemes	25	17
	<u>1,224</u>	<u>666</u>

A portion of the Director costs above are recharged from Wednesday Bidco to the Want2bthere ring-fenced Group in relation to services provided by the Directors.

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2022 Number	2021 Number
Accruing benefits under defined contribution pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid Director:

	2022 £ 000	2021 £ 000
Emoluments	790	449
Defined contribution pension costs	16	11
	<u>806</u>	<u>460</u>

9 Other operating exceptional items

During the year the Company incurred restructuring costs and associated fundraising costs of £nil (2021: £356k).

10 Operating loss

Arrived at after charging:

	Note	2022 £ 000	2021 £ 000
Other operating exceptional items	9	-	356
Shareholder costs		<u>219</u>	<u>181</u>

Wednesday Bidco Limited

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

11 Net finance cost

		<i>*Restated</i>
<i>Finance costs</i>	2022	2021
	£ 000	£ 000
Interest on loan notes	15,097	5,070
Senior debt (gain) on change in estimate	(568)	-
Interest on senior debt facility	5,650	5,967
Interest expense on deferred consideration	800	800
Non-utilisation fees on additional senior debt and overdraft	215	213
Loss on financial instruments	39	43
Interest on intercompany loans	-	8,558
Other financing related costs	-	275
Total finance costs	21,233	20,926
<i>Fair value loss on embedded derivative</i>		
D loan note embedded derivative fair value loss	11,710	12,926
<i>Finance income</i>		
Other finance income	(60)	-
Gain on debt extinguishment	-	(2,489)
Total finance income	(60)	(2,489)
Total net finance costs	32,883	31,363

The 'senior debt gain on change in estimate' relates to the change in the amortised cost of the senior debt facility as at 31 October 2022, due to a revision in the estimated repayment date of the loan notes and senior debt. The senior debt is amortised to an expected exit date, and as such is subject to changes in estimate when management's expectation of when an exit is most likely changes. This gain is set against the interest charge for the year, which drives a net finance cost for the year on each class of borrowing. Further details are disclosed in Note 16.

*The prior year interest on loan notes balance has been restated to account for a correction in the original effective rate calculation. Further details are disclosed in Note 3 and Note 16.

12 Tax on loss

Tax charged in the statement of profit and loss:

	2022	2021
	£ 000	£ 000
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Arising from origination and reversal of temporary differences	-	-
Tax charge in the statement of profit and loss	-	-

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%).

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)****12 Tax on loss (continued)**

The differences are reconciled below:

	2022	*Restated
	£ 000	2021
		£ 000
Loss before taxation	(33,363)	(31,981)
UK tax of 19% (2021: 19%)	(6,339)	(6,076)
Expenses not deductible	4,945	3,571
Effects of group relief/other reliefs	2,007	2,071
Amounts not recognised	(613)	434
Total tax charge	-	-

*The 2021 numbers restated related to the restated loss before tax of £32.0m (previously: £38.3m), and the corresponding impact of this on the 'income tax at standard rate' of £6.1m (previously: £7.3m). This reduction in income tax at standard rate is offset by a decrease in the 'expenses not deductible' line, reducing this to £3.6m (previously: £4.8m).

Deferred tax

	£ 000
At 1 November 2021	-
Charge to the statement of profit and loss	-
At 31 October 2022	-

A deferred tax asset of £nil has been recognised at 31 October 2022 (2021: £nil).

At the end of the reporting period the Company had an unrecognised deferred tax asset of £2.6m (2021: £2.0m).

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.

13 Investments

	2022	2021
	£ 000	£ 000
Investments in subsidiaries	274,744	274,744
		Shares in group
		undertakings
		£ 000
Subsidiaries		
Cost		
At 1 November 2021		274,744
Additions		-
At 31 October 2022		274,744
Carrying amount		
At 31 October 2022		274,744
At 31 October 2021		274,744

Wednesday Bidco Limited

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

13 Investments (continued)

The carrying amount at 31 October 2022 relates to Wednesday Bidco Limited's investment in Want2bthere Limited. As part of the fundraising exercise in April 2021, Wednesday Bidco Limited derecognised its receivable due from Wednesday Midco Limited of £50,197k and recognised a corresponding increase in its investment in Want2bthere Limited.

Details of undertakings

Subsidiary undertakings	Country of registration or incorporation	Class	Shares held %	Principal activity
Want2bthere Limited	England	Ordinary	100	Provision of Head Office Services
We Love Holidays Limited*	England	Ordinary	100	Exploitation of intellectual property
WLH US Holidays 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 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.

Wednesday Midco Limited, as the guarantor to the Group's senior debt facility, has a fixed charge over its entire investment in the Company to secure the borrowings. There is also a fixed charge over the Company'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.

14 Trade and other receivables

	31 October 2022 £ 000	31 October 2021 £ 000
Amounts falling due within one year		
Amounts due from ultimate and parent company	422	39
Amounts due from subsidiary undertakings	-	396
VAT	186	228
Prepayments	3	25
Derivative financial assets	-	39
	<u>611</u>	<u>727</u>

Wednesday Bidco Limited

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

14 Trade and other receivables (continued)

Amounts owed from ultimate and parent company and subsidiary undertakings are unsecured, interest free and repayable on demand.

15 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's shares with a nominal value of £1 (2021: £1) have been pledged to secure the borrowings of the Company as at 31 October 2022. The Company had drawn down £40.0m (2021: £40.0m) in relation to the senior debt facility and had drawn down £nil (2021: £nil) on the committed revolving credit facility as at 31 October 2022.

Capital contribution

The capital contribution reserve relates to an increase in distributable profit as a result of derecognising the intercompany loan payable to Wednesday Midco Limited as part of the fundraising in April 2021.

Retained earnings reserve

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

16 Loans and borrowings

	31 October 2022	<i>Restated</i> 31 October 2021
	£ 000	£ 000
Non-current loans and borrowings		
Senior debt	50,244	45,172
D loan note embedded derivative	59,014	47,304
Loan notes and accrued interest	<u>34,769</u>	<u>19,672</u>
	<u>144,027</u>	<u>112,148</u>

Wednesday Bidco Limited

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

16 Loans and borrowings (continued)

	31 October 2022 £ 000	31 October 2021 £ 000
Current loans and borrowings		
Deferred consideration	10,021	9,987
	<u>10,021</u>	<u>9,987</u>

The senior debt facility is secured by a debenture charged over the Company's assets.

Deferred consideration

As part of the transaction, the Company agreed to pay £20.0m of deferred consideration to the vendors of the business with interest payable at a rate of 6% from completion (being 24 May 2018) to 31 December 2018 and a rate of 8% thereafter. During the year, no principal repayments were made (2021: no payments).

Senior debt

In April 2021, due to the prolonged effect of COVID-19 and the challenges on the travel industry with traffic light systems and lock downs throughout Europe, the Company entered into a fundraising agreement that included changes to terms of Facility A (£20.0m) and B (£20.0m). The Maturity date of these is now 24 May 2025. The annual Paid-in-Kind ('PIK') rate changed to a range of 7.5% -15.0% (subject to a leverage ratchet) + Sterling Overnight Index Average ('SONIA') from 24 July 2021. The PIK interest rolls up at the end of each interest period up to a maximum of 3 months. Management has conducted a sensitivity analysis to understand the impact of a change in SONIA to the carrying value of the senior debt. SONIA would need to move by 63 bps (29%) in order to have a material impact on the carrying value of the senior debt. This sensitivity assumes that SONIA remains at the adjusted rate until the expected redemption date of the debt - in practice there would be fluctuations in both directions over time, such that this scenario is rendered less probable. Additionally, SONIA has been at a fifteen year high since December 2022 - the business is anticipating that this rate will reduce over time as the UK economy recovers.

The expected redemption date of the senior debt was reassessed in the current year. The impact of this change in estimate has resulted in a gain of £0.6m and is recognised within finance costs.

At the year end, the Company remained fully drawn down on these facilities with £40.0m drawn (2021: £40.0m).

Loan notes

During the fundraising exercise in April 2021, the Company raised £51.0m through the issuance of D Loan notes. They carry an interest rate of 8% and a redemption premium of four x principal. In December 2021, the D loan notes, which are closely held, were listed on the International Stock Exchange (TISE) in Guernsey.

Wednesday Bidco Limited

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

16 Loans and borrowings (continued)

Embedded derivatives

All classes of borrowings are repayable at the earliest of an exit event and the contractual maturity dates, which creates a prepayment option and a potential embedded derivative. Management has completed an assessment in the year on all classes of debt to establish whether the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host debt. For the senior debt, the prepayment option is closely related to the host contract, as at any given point in time the amortised cost of the debt and the repayment amount are approximately equal.

However, due to the fixed redemption premium attached to the D loan notes, the amortised cost of the debt does not align with the repayment amount at any given point in time, and as such an embedded derivative must be considered separately to each host contract. As this is a fundamental change in how these financial liabilities are accounted for, a prior year restatement is required to reflect these embedded derivatives in the prior year comparatives.

Prior year restatement

Management's expectation is that the D loan notes will be repaid upon an exit event. As such, the fair value of the option as at 31 October 2021 has been estimated using a discounted cash flow (DCF) approach, weighted by probability of the expected exit date.

The Group used appropriate discount rates reflecting the cash flow risks given the cost of borrowing for a travel business following the lockdowns throughout the COVID-19 pandemic, and the threat of further variants at that point in time.

The probability of the expected exit dates is based on management judgement, using the information which was available as at 31 October 2021. This has been further sensitised below to display the impact of different exit date weightings.

D loan notes

As at 31 October 2021, the fair value of the embedded derivative financial liability is £47.3m.

Sensitivity analysis

The assumptions and judgements made in the valuation of the derivative financial liability as at 31 October 2021 include the following sensitivities, noting that factors and circumstances may arise that are outside the Group's control which could impact the option value:

- An increase in discount rate of 10% will result in a reduction in the fair value of the derivative financial liability to £41.7m.
- The exit date considered most likely by management has been attributed a 50% probability. If this probability increased to 60% (rendering a later exit less likely), the fair value of the derivative financial liability would increase to £50.9m.
- If this probability was reduced to 40% (rendering a later exit date more likely), the fair value of this derivative financial liability would decrease to £43.7m.

The discount rate used as at 31 October 2022 differs from that used as at 31 October 2021, given the reduced cost of borrowing following the business' recovery from the COVID-19 pandemic. To quantify this in the discount rate, the rate at inception has been reduced by reference to the Group's adjusted EBITDA compared to the total borrowings of the business, as this is the most reliable metric for how the business is performing.

The difference of £11.7m between the aggregate fair value of the embedded derivative as at 31 October 2021 of £47.3m and the fair value at 31 October 2022 of £59.0m has been recognised in the statement of profit or loss for the year ended 31 October 2022.

Wednesday Bidco Limited

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

16 Loans and borrowings (continued)

Embedded derivatives (continued)

Current year position

As at 31 October 2022, the fair value of the embedded derivative financial liability is £59.0m.

Sensitivity analysis

The assumptions and judgements made in the valuation of the derivative financial liability as at 31 October 2022 include the following sensitivities, noting that factors and circumstances may arise that are outside the Group's control which could impact the option value:

- An increase in discount rate of 10% will result in a reduction in the fair value of the derivative financial liability to £53.1m.
- The exit date considered most likely by management has been attributed a 60% probability. If this probability increased to 70% (rendering a later exit less likely), the fair value of the derivative financial liability would increase to £61.2m.
- If this probability was reduced to 50% (rendering a later exit date more likely), the fair value of this derivative financial liability would decrease to £56.9m.

17 Trade and other payables

	31 October 2022 £ 000	31 October 2021 £ 000
Amounts falling due within one year		
Trade payables	240	-
Amounts due to subsidiaries	22,929	21,310
Social security and other taxes	52	495
Accrued expenses	145	174
Other payables	141	146
	<u>23,507</u>	<u>22,125</u>

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

The carrying value of trade and other payables classified as financial liabilities are measured at amortised cost. These all mature within twelve months of the balance sheet date.

Wednesday Bidco Limited

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

18 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.

Loans from management

During the year, the Company received loans in the form of deferred consideration from the following related parties:

	31 October 2022 £ 000	31 October 2021 £ 000
As at 1 November	2,162	2,162
Interest charged on deferred considerations to key management personnel	52	67
Interest charged on deferred considerations to connected persons	58	58
Payment of interest on deferred consideration to key management personnel	(52)	(67)
Payment of interest on deferred consideration to connected persons	(58)	(58)
As at 31 October	<u>2,162</u>	<u>2,162</u>

Issue of loan notes

During the year, interest was charged on the following loan notes held by related parties:

	31 October 2022 £ 000	31 October 2021 £ 000
As at 1 November	39,391	-
Loan notes issued to a shareholder with significant influence	-	36,800
Interest charged on loan notes to a shareholder with significant influence	3,067	1,549
Loan notes issued to key management personnel	-	1,000
Interest charged on loan notes to key management personnel	83	42
As at 31 October	<u>42,541</u>	<u>39,391</u>

19 Parent and ultimate parent undertaking

The Company's immediate parent is Wednesday Midco Limited, and the Company's ultimate parent is Wednesday Topco Limited. These financial statements are available upon request from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. The Directors consider Livingbridge EP LLP to be the ultimate controlling party.

The largest and smallest group of which Wednesday Bidco 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.

20 Events after reporting date

There are no events to report after the reporting date.