

Cannes Midco Ltd

Annual Report and Financial Statements

Year Ended

31 October 2022

Company Number 11352283



Cannes Midco Ltd

Company Information

Directors	S Byrne M Hanson
Registered number	11352283
Registered office	Venus No. 1 Old Park Lane Trafford City Manchester M41 7HA
Independent auditor	Deloitte LLP The Hanover Building Corporation Street Manchester M4 4AH
Bankers	Lloyds Bank Plc 42-46 Market Street Deansgate Manchester M1 1PW

Cannes Midco Ltd

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Cannes Midco Ltd

Strategic Report For the Year Ended 31 October 2022

The Directors presents their Strategic Report together the audited financial statements for the year ended 31 October 2022.

Principal activity

The Company's principal activity is that of a holding Company.

Business review

The Company's purpose is to hold the investment in Cannes Midco II Limited within the Cannes Topco Group (the 'Group'), the principal activity of which is the provision of a technology platform, travel content and other services to self-employed travel professionals and independent travel businesses on a franchise basis, who in turn provide holidays and corporate travel services to the public and to businesses.

The Company does not have any employees and the Directors are remunerated from other Group companies. As such no employee or Directors' information is included within the notes to the financial statements.

The Company made a loss of £0.30m (2021 - loss of £0.01m) due to interest charges on the loan notes and is in a net assets position of £146.3m (2021 - net assets of £146.6m). The Company will continue to exist for the foreseeable future as an intermediary holding company.

Principal risks and uncertainties

This is a non trading investment company, therefore the directors have opted to outline the following risks and uncertainties which may affect the Group, and by extension, this Company's financial position.

Market risks - the travel market is affected by external factors, including the economic environment, extreme weather events, acts of war and terrorism, and virus outbreaks such as COVID-19. All of these external factors can have an impact on business volumes. The growing costs of energy and inflationary pressures on gas and oil are also having a notable impact on costs in the travel sector. The Company manages this risk by maintaining a low fixed cost base, offering a diverse range of products and destinations, and ensuring that its Travel Counsellors are well trained and informed, enabling them to provide good advice to their clients.

Commercial risks - the Company operates in a competitive environment in which buying habits and distribution channels are evolving over time. The potential impact of changes in the market is mitigated by a diverse range of products, the high service levels provided to the Travel Counsellors by the Company, the value added by the Travel Counsellors, the strong, long-term client relationships the Company encourages them to develop and maintain, and the flexibility derived from acting as principal as well as agent.

Foreign currency risk - the Company also takes on transactional currency exposures relating to the cost of foreign currency denominated product (principally accommodation). This exposure primarily relates to the sterling:Dollar and Sterling:Euro exchange rates. The Company manages this risk by buying foreign currency to match requirements as they are generated by bookings. In periods of heightened volatility, the Company mitigates currency risk using currency options.

Regulatory environment - the travel industry is highly regulated, and the Company must comply with regulatory requirements to remain in business. The Company seeks to manage the associated risk by constantly monitoring regulatory changes, regular dialogue with the regulators and adapting the business model, operating processes and terms of trade where necessary.

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

Principal risks and uncertainties (continued)

Liquidity and cashflow risk - the Company manages this risk by ensuring customer balances are received before cancellation costs start to accrue, maintaining accurate cash forecasts, and ensuring reasonable levels of cash to accommodate any unforeseen requirements. The Company has cash holding off £Nil (2021 - £Nil).

Credit and supplier failure risk - the Company offers credit terms to some corporate clients, exposing it to bad debt risk, and is exposed to the risk of failure of suppliers on itineraries where it acts as principal. The Company manages these risks through its supplier payment terms and by obtaining credit, airline-failure, and supplier-failure insurance cover against the residual exposure. The business has put in place reporting metrics to monitor and report on the level of outstanding debt and has since changed its commissions payment cycle which will aid in mitigating this risk going forward.

Cyber security - the Company operates in a digital environment, exposing it to criminal risk from individual and organised electronic activities. The Company manages these risks by following best practice security procedures, using third party security organisations and reducing where possible the storage and transmission of sensitive information. The Company's legal and IT security teams continue to monitor ongoing compliance with data protection laws.

Health and safety risk - when arranging travel as principal, the Company takes on the risk of health and safety issues arising from the product sold. The Company mitigates this risk by employing dedicated health and safety resource, utilising third party health and safety audit information in approving product for sale and obtaining tour operator insurance cover.

Key performance indicators

This is a non trading investment company therefore there are no KPIs set by the directors. The primary aim is to retain shareholder value through the investment in the Group.

Future developments

The Company's core strategic focus - attracting more Travel Counsellors to our platform, supporting them in growing their businesses and in delivering a superior personal service to customers - is proven to deliver revenue and profit growth, which remains unchanged. The Company is well positioned strategically to address the underlying long-term trends in the leisure and business travel sector and the wider economy. The forward earnings visibility afforded by the lead time from booking to departure, strong potential for further growth in travel Counsellor franchisee numbers, and the reliable track record of new Travel Counsellors developing their businesses provides a good degree of confidence in long term growth prospects.

As well as delivering significant growth and strategic progress during the year, we continued to invest in building a scalable platform to support our ambitious long-term growth plans. We invested in a successful and large-scale digital transformation project which is already having a hugely positive impact by better enabling our travel counsellors to build lasting relationships with customers and increasingly work in teams to help support and scale their businesses.

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

Future developments (continued)

Core customers and clients are relatively premium, make complex trips and value convenience and travel outcomes above price. Travel Counsellor franchisees have the freedom to run their business in the way that best suits their own talents, aspirations and lifestyle. They build long term relationships with customers sourced from their own network or from referrals, and provide those customers with a high touch, personalised service that drives high repeat rates. The Company's asset, labour and marketing-light operating model is highly scalable, and the personal relationships franchisees create with their customers are increasingly enhanced through digital technologies. The business model, over time, will continue to strengthen with investment in the platform by the Company in digital technology and advanced analytics, enabling delivery of more effective tools and support to Travel Counsellor business owners that enhances their productivity and augments the close relationships they foster with their customers and clients.

Directors' statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under Section 172 (1) of the Companies Act 2006, to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequence of decisions in the long-term;
- The interest of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment; and
- The desirability of the Company maintaining a reputation for high standards of business conduct.

In discharging their s.172 (1) duties the Directors have had regard to the factors set out above, as well as other factors relevant to the decisions being made. By keeping true to our brand promise of 'with us, it's personal', the Board aims to ensure that the decisions made are consistent and intended to promote the Company's long-term success.

The consequences of decisions in the long term

The Company operates in an industry that is very dynamic and fast-moving and the Board appreciates the need to remain agile in order to respond to opportunities or emerging issues as they present themselves. The Directors fulfil their duties through a governance framework that delegates day-to-day decision-making to management of the Company, which reflects the highly regulated environment in which the Company operates. Nevertheless, the Board is mindful that many decisions will have a long-term impact, and that a number of its contractual commitments will remain with the Company for many years to come. The Board is able to also draw on the wealth of experience and awareness of senior employees within the Company, who have many years of experience and truly understand the impact of decisions in the longer term, to assist in high quality and consistent outcomes.

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

Directors' statement of compliance with duty to promote the success of the Company (continued)

High standards of business conduct

The Board recognises the importance of corporate governance and believes that modern slavery and human trafficking are significant global issues presenting a challenge for businesses worldwide and has committed to continually reviewing its practices to combat slavery and human trafficking. The Board has a zero-tolerance approach to modern slavery and is committed to ensuring that its group companies act ethically and with integrity in their business dealings. Further details on the Company's Modern Slavery Statement can be found on the Company's website: <http://mediaserver.travelcounsellors.co.uk/HOC/MSAStatementFY18-19.pdf>.

The Company manages its tax affairs responsibly and seeks to build constructive relationships with all tax authorities across the various countries in which it operates and does so by engaging with local tax experts in each area, to ensure compliance and accuracy of reporting. The Board expects all of its colleagues to observe the high standards contained within the Company's policies in relation to bribery and corruption, data protection, equality, diversity and inclusion, IT security, fraud and whistleblowing, each of which is reinforced through appropriate training.

Acting fairly between members of the Company

The Board recognises its legal and regulatory duties and does not take decisions or actions, such as selectively disclosing confidential or inside information that would provide any shareholder with an unfair advantage. The Board is fairly represented by members of all the different class of shareholders.

Our key stakeholders and how we engage with them

The Directors consider the Group's key stakeholders to be its employees, its customers, its suppliers and its shareholders.

Stakeholder Group	Stakeholder key interests	How we engage
<i>Employees</i>		
The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the the Company.	Our employees are interested in: <ul style="list-style-type: none">• Training and development• Career progression• Reward and recognition• Engagement• Health and safety• Respect	<ul style="list-style-type: none">• Regular internal communications• Training and feedback• Identifying and progressing talented individuals• Briefings and events• Colleague conference

Cannes Midco Ltd

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

Directors' statement of compliance with duty to promote the success of the Company (continued)

Stakeholder Group	Stakeholder key interest	How we engage
<i>Customers</i>		
We put our customers first and always aim to do the right thing. We focus on building trust and loyalty with our customers by getting to know them personally. This forms a strong relationship that last long after the booking. The Company places considerable value on its interaction with the Travel Counsellors, as they are the core of what makes the Company 'tick'.	<ul style="list-style-type: none"> • Efficient booking process • Transparent pricing • Helpdesk support • New and exciting packages and destinations • Clear and timely communication 	<ul style="list-style-type: none"> • Mobile / app technology • Regular communications • Training and feedback • Briefings and events • Annual conferences • Dedicated Travel Counsellors TV • Social media
<i>Suppliers & partners</i>		
Our suppliers are the key to having high quality products available for our customers, and we have developed very close relationships over many years of relationship building.	<ul style="list-style-type: none"> • Long-term relationships • Growth • Profitability of trade relationship • Responsible procurement and trust 	<ul style="list-style-type: none"> • Regular calls with key suppliers • Regular updates with key account managers • Shared issue resolution approach • Sharing key data to allow a smooth flow of business activity • Regular commercial conversations to support a profitable trade relationship
<i>Shareholders</i>		
The confidence of our shareholders is key to delivering our strategy, as access to capital may be required for the long-term performance of our business. Our ultimate shareholders, through our parent company, are in regular communication with the Board.	<ul style="list-style-type: none"> • Financial performance • Governance and transparency • Operating and financial information • Confidence and trust in the Group's leadership team 	<ul style="list-style-type: none"> • Monthly management reporting • Investor board meetings • Direct access to members of the Executive committee • Annual Report

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

Directors' statement of compliance with duty to promote the success of the Company (continued)

Stakeholder Group	Stakeholder key interests	How we engage
<i>Regulators</i>		
<p>The Civil Aviation Authority (CAA) oversees the Air Travel Organisers' Licensing (ATOL) scheme which protects customers in the event of a travel company failure. We comply with the ATOL regulations and engage with the CAA to maintain a constructive and trusted relationship.</p> <p>There are other aspects of our business that have oversight by regulators, for example, the ICO (Information Commissioner's Office) regulates compliance with privacy laws and there are also various consumer rights regulated by bodies such as the Competition Markets Authority and the Advertising Standards Authority.</p>	<ul style="list-style-type: none">• Our regulators expect us to meet relevant legal requirements and to treat our customers, employees and other stakeholders in a fair way.• Responding in a timely and constructive manner.• Open dialogue and collaborative approach	<ul style="list-style-type: none">• We engage with some regulators, such as the CAA on a more regular basis. We engage through reporting, audits and direct consultation.• We also engage with the CAA and the wider travel community at industry meetings.

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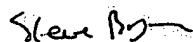
Strategic Report (continued) For the Year Ended 31 October 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

Stakeholder Group	Stakeholder key interests	How we engage
<i>Communities and society</i>		
<p>We are a business that puts people at its heart and that includes how we support our people, customers and our wider communities, both in which we live and send our customers to every day. As a fast-growing travel business, it's our duty to make sure we operate in a responsible way and ensure our only impact is a positive one.</p>	<ul style="list-style-type: none">• Ethical businesses managed responsibly• Building partnerships that support and create positive impact and outcomes for society• Environmental impact• Source of future employment and opportunities	<p>Our approach to sustainability is to educate our people and customers around the importance of responsible travel, introducing more sustainable practices across the business, and identifying and signposting sustainable products and ancillaries to customers. This includes partnering with the Travel Foundation to support the charity's worldwide research and destination projects, which aim to measure and manage the impacts of tourism, working with us to roll out bespoke training programmes for our internal network and advising on the most impactful approaches to ensuring our people and customers have the insight and ability to make sustainable choices.</p>

This report was approved by the board on 27.07.2023

and signed on its behalf.



S Byrne
Director

Cannes Midco Ltd

Directors' Report For the Year Ended 31 October 2022

The Directors present their report together with the audited financial statements for the year ended 31 October 2022.

Results and dividends

The loss for the year, after taxation, amounted to £296,000 (2021 - loss £13,000).

The Directors do not recommend the payment of a dividend £Nil (2021 - £Nil). No dividends have been declared or paid post year-end.

Directors

The Directors who served during the year and up to the date of signing of the financial statements were:

S Byrne

E Crosier (resigned 21 April 2022)

M Graham (appointed 30 June 2022, resigned 30 June 2022)

M Hanson (appointed 15 December 2022)

Going concern

The Company is a holding company and part of the wider Travel Counsellors group, of which Cannes Topco is the head company. Therefore the going concern of the Company is linked with that of the Group. Despite the Group being in a net liability position at the period end, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The net debt in place relates to net bank debt totalling £107.2M, repayable in 2025, a revolving credit facility of £9.8M, repayable but also available to be redrawn in 2023, and preference shares totalling £269.6M, repayable in 2028, (including rolled up interest), ensuring no short term impact on the Group's cash flows. Interest on the loan notes and preference shares is rolled up and paid on redemption, the revolving credit facility is paid quarterly. The Directors have prepared cash flow forecasts for all the trading entities in the Group based on assumptions in respect of growth in the number of Travel counsellors, booking volumes, values and profiles, commissions and profit margins, and customer/supplier payment terms. Sensitivity analysis has also been performed on these forecasts.

The Group has carried out a stress test against the base case to determine the performance levels that would result in a breach of covenants, from a reduction of headroom against its borrowing facilities to nil. For a breach of covenants to occur during the relevant period, the Group would need to experience a sustained EBITDA reduction of 50% compared with current expectations throughout the period from April to October 2023. The Directors do not consider this scenario to be plausible given the ability of the Group to continue its operations throughout the COVID-19 pandemic, its ability to return to more normalised activity levels during the second half of 2022 and the record booking levels seen in early 2023, and the positive future outlook across the travel market in which it operates.

The Group also has several mitigating actions under its control including minimising capital expenditure to critical requirements, reducing levels of discretionary spend, rationalising its overhead base, although not forecast to be required, could be implemented in order to be able to meet the covenant tests and to continue to operate within borrowing facility limits. Based on these forecasts and sensitivities, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Political and charitable contributions

The Company made no political or charitable donations during the current or prior financial year.

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

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and cash flow risk.

- **Credit risk** - The Company offers credit terms to some corporate clients, exposing it to bad debt risk, and is exposed to the risk of failure of suppliers on itineraries where it acts as principal. The Company manages these risks through its supplier payment terms and by obtaining credit, airline-failure, and supplier-failure insurance cover against the residual exposure. The business has put in place reporting metrics to monitor and report on the level of outstanding debt and have now since changed its commissions payment cycle which will aid to mitigate this risk going forward
- **Liquidity risk** - The Company manages this risk by operating trust accounts for client receipts and supplier payments, ensuring customer balances are received before cancellation costs start to accrue, maintaining accurate cash forecasts, and ensuring reasonable levels of cash and covenant headroom to accommodate any unforeseen requirements. The Group has cash holding of £Nil (2021 - £Nil).

Engagement with employees and disabled employees

The Group, of which this Company is a member, places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through regular internal communications which are made to all employees to ensure that they are kept well informed of the performance of the Group. The Group seeks to work with each individual employee, enabling them to reach and maximise their potential in the context of their own personal circumstances.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with suppliers, customers and others

Please refer the s172 statement in the Strategic Report for details on how the Directors engage with suppliers, customers and other key stakeholders.

Qualifying third party indemnity provisions

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has taken the exemption available to subsidiary companies not to disclose information in respect of greenhouse gas emissions, energy consumption and energy efficiency action given this is disclosed in the consolidated financial statements of the ultimate parent company, Cannes Topco Ltd.

Matters covered in the Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Directors consider them to be of strategic importance to the Company. These include information on the Company's exposure to risk and likely future developments.

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

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Events after the reporting period

On 10 March 2023, Cannes Topco acquired 100% of the share capital of Holidays Please, making the company a wholly owned subsidiary from that date. Holidays Please are a package holiday provider and therefore operate in the same market as Travel Counsellors.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27.07.2023

and signed on its behalf.



S Byrne
Director

Cannes Midco Ltd

Directors' Responsibilities Statement For the Year Ended 31 October 2022

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

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

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

- select suitable accounting policies and then 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 to 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.

Cannes Midco Ltd

Independent Auditor's report to the members of Cannes Midco Ltd

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its 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 Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 16.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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Independent Auditor's report to the members of Cannes Midco Ltd (continued)

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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Independent Auditor's report to the members of Cannes Midco Ltd (continued)

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included GDPR, employment law, health and safety building regulations, and the Civil Aviation Authority (CAA).

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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Independent Auditor's report to the members of Cannes Midco Ltd (continued)

Use of our report

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

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte, Statutory Auditor
Manchester
United Kingdom

27 July 2023

Cannes Midco Ltd

Statement of Comprehensive Income For the Year Ended 31 October 2022

	Note	2022 £000	2021 £000
Administrative expenses		(70)	(9)
Operating loss	4	(70)	(9)
Interest payable and similar expenses	5	(139)	(122)
Loss before tax		(209)	(131)
Tax on loss	6	(87)	118
Loss for the financial year		(296)	(13)

All income and expenses shown above arose from continuing operations.

There was no other comprehensive income for 2022 (2021 - £Nil).


The notes on pages 19 to 34 form part of these financial statements.

Cannes Midco Ltd
Registered number: 11352283

Statement of Financial Position
As at 31 October 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Investments	7		131,112		131,112
Non-current assets					
Debtors: amounts falling due after more than one year	8	42,571		42,641	
Current assets					
Debtors: amounts falling due within one year	8	121		208	
		42,692		42,849	
Current liabilities					
Creditors: amounts falling due within one year	9	(26,043)		(26,043)	
Net current assets			16,649		16,806
Total assets less current liabilities			147,761		147,918
Creditors: amounts falling due after more than one year	10		(1,497)		(1,358)
Net assets			146,264		146,560
Capital and reserves					
Called up share capital	13		150,787		150,787
Profit and loss account	14		(4,523)		(4,227)
Total equity			146,264		146,560

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 27.07.2023

S Byrne
Director

The notes on pages 19 to 34 form part of these financial statements.

Cannes Midco Ltd

Statement of Changes in Equity For the Year Ended 31 October 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 November 2020	150,787	(4,214)	146,573
Comprehensive expense for the year			
Loss for the year	-	(13)	(13)
Total comprehensive expense for the year	-	(13)	(13)
At 1 November 2021	150,787	(4,227)	146,560
Comprehensive expense for the year			
Loss for the year	-	(296)	(296)
Total comprehensive expense for the year	-	(296)	(296)
At 31 October 2022	150,787	(4,523)	146,264

The notes on pages 19 to 34 form part of these financial statements.

Cannes Midco Ltd

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

1. General information

Cannes Midco Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company was incorporated to accommodate the new group structure following the takeover of the trading group by Vitruvian.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on the Company Information page. The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 100 "Application of Financial Reporting Requirements issued by the FRC.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The amounts presented are rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- 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
- 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 in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied on the basis that equivalent disclosures are included in the consolidated financial statements of Cannes Topco Limited. These financial statements do not include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures

The consolidated financial statements of Cannes Topco Ltd are publicly available and may be obtained from its registered office at Venus No.1 Old Park Lane, Trafford City, Manchester, England, M41 7HA.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

The Company is a holding company and part of the wider Travel Counsellors group, of which Cannes Topco is the head company. Therefore the going concern of the Company is linked with that of the Group. Despite the Group being in a net liability position at the period end, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The net debt in place relates to net bank debt totalling £107.2M, repayable in 2025, a revolving credit facility of £9.8M, repayable but also available to be redrawn in 2023, and preference shares totalling £269.6M, repayable in 2028, (including rolled up interest), ensuring no short term impact on the Group's cash flows. Interest on the loan notes and preference shares is rolled up and paid on redemption, the revolving credit facility is paid quarterly. The Directors have prepared cash flow forecasts for all the trading entities in the Group based on assumptions in respect of growth in the number of Travel counsellors, booking volumes, values and profiles, commissions and profit margins, and customer/supplier payment terms. Sensitivity analysis has also been performed on these forecasts.

The Group has carried out a stress test against the base case to determine the performance levels that would result in a breach of covenants, from a reduction of headroom against its borrowing facilities to nil. For a breach of covenants to occur during the relevant period, the Group would need to experience a sustained EBITDA reduction of 50% compared with current expectations throughout the period from April to October 2023. The Directors do not consider this scenario to be plausible given the ability of the Group to continue its operations throughout the COVID-19 pandemic, its ability to return to more normalised activity levels during the second half of 2022 and the record booking levels seen in early 2023, and the positive future outlook across the travel market in which it operates.

The Group also has several mitigating actions under its control including minimising capital expenditure to critical requirements, reducing levels of discretionary spend, rationalising its overhead base, although not forecast to be required, could be implemented in order to be able to meet the covenant tests and to continue to operate within borrowing facility limits. Based on these forecasts and sensitivities, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.5 Impact of new international reporting standards, amendments and interpretations

In the current financial year, the Company has applied amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2021.

Standard	Amendment	Impact on the financial statements
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (Phase 2)	The Phase 2 amendments relate to the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.	No impact
Amendments to IFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	In March 2021, the IASB issued <i>Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)</i> that extends the practical expedient to apply to reductions in lease payments originally due on or before 30 June 2022.	No impact

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.5 Impact of new international reporting standards, amendments and interpretations (continued)

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17: Insurance Contracts;
- IFRS 10 and IAS 28 (amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 3: Reference to the Conceptual Framework;
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use;
- Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract;
- Annual Improvements to IFRS Standards 2018-2020 Cycle: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

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.

2.6 Finance costs

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

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.7 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less, where appropriate, provisions for impairment. Impairment is assessed annually using a discounted cash flow model.

2.9 Impairment of investments

At each period end date, the Company reviews the carrying amounts of its investments to determine whether there is any indication the investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.10 Debtors

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

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each year end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Cannes Midco Ltd

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

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Cannes Midco Ltd

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, 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 Directors do not consider that the amounts recognised in the financial statements have been significantly affected by any critical judgements made in the process of applying the Company's accounting policies.

Going concern

For the assumptions made in the Going Concern assessment see the detail contained within note 2.4.

Key sources of estimation uncertainty

Impairment of investments

Determining whether assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of investments at the year-end date was £131.1m (2021 - £131.1m). The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, expected changes to selling prices and direct costs, expected level of capital expenditure in the period and an estimation of when domestic and international travel will resume following the global pandemic. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU.

The Company prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows in perpetuity based on an estimated growth rate of 2 per cent. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows is 16.5 per cent (2021 - 14.0 per cent).

No impairment (2021 - no impairment) has been identified following the value in use calculation.

Cannes Midco Ltd

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

4. Operating loss

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £9,625 (2021 - £9,167).

There were no non-audit fees payable to Deloitte LLP (2021 - £Nil).

There were no employees and therefore no staff costs (2021 - £Nil). The Directors received no remuneration from the Company (2021 - £Nil). No qualifying services are provided to this entity by the Directors. As such no employee or Directors' information is included within the notes to the financial statements. The Directors are remunerated by another group company, Travel Counsellors Limited.

5. Interest payable and similar expenses

	2022 £000	2021 £000
Other loan interest payable	139	122

6. Taxation

	2022 £000	2021 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	(66)
Adjustment in respect of previous periods	87	(2)
Effect of changes in tax rates	-	(50)
Total deferred tax	87	(118)
Taxation on loss	87	(118)

Cannes Midco Ltd

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

6. Taxation (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss before tax	(209)	(131)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(40)	(25)
Effects of:		
Adjustments to tax charge in respect of prior periods	87	(2)
Amounts not recognised	26	(41)
Tax rate changes	-	(50)
Group relief	14	-
Total tax charge/(credit) for the year	87	(118)

Factors that may affect future tax charges

Increase in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the Company's future tax charge accordingly. The value of the deferred tax asset at the Statement of Financial Position date has been calculated using the applicable rate when the asset is expected to be realised.

7. Fixed asset investments

	Investments in subsidiary companies £000
Cost and net book value	
At 1 November 2021	131,112
At 31 October 2022	131,112

Cannes Midco Ltd

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

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Cannes Midco II Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Holding company	100%
Cannes Bidco Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Holding company	100%
Travel Counsellors Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Travel agent	100%
Travel Counsellors (Ireland) Limited	NSC Campus, Mahon, Cork, Ireland	Travel agent	100%
Travel Counsellors Nederland BV	Emmapark 8, 2595 ET The Hague, Netherlands	Travel agent	100%
Travel Counsellors Proprietary Limited	4/34 Queen Street, Melbourne, Victoria 3000, Australia	Travel agent	100%
Travel Counsellors Proprietary Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Travel agent	48%
TC BEECo Proprietary Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Holding company	52%
Gazania Investments Three Hundred and Seventy-Two (Proprietary) Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Holding company	100%
TC Africa DMC Proprietary Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Holding company	100%
Travel Counsellors LLC	dnata Travel Centre, Sheikh Zayed Road, Dubai, United Arab Emirates	Travel agent	49%
Travel Counsellors Belgium BVBA	Travel Counsellors Nederland BV, Emmapark 8, 2595 ET The Hague, Netherlands	Travel agent	100%
Travel Counsellors Overseas Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Holding company	100%
Bob Sopel Travel Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Dormant	100%
Travel Counsellors LLC	P.O. Box 1515, Dubai, United Arab Emirates	Dormant	100%
Travel Counsellors S.L.	La Cerquilla 32 Nueva Andalucia 29660	Dormant	100%
Travel Counsellors (Canada) Limited	501-15 Toronto St Toronto ON M5C 2E3	Dormant	100%
Travel Counsellors Group Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Dormant	100%
TC Bidco Limited	Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3R7	Holding company	100%

Cannes Midco Ltd

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

7. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Holding
TC Africa 1 Proprietary Limited	Floor 11, Norton Rose, Fulbright House, 8 Riebeek Street, Cape Town, 8001	Holding company	100%
TC Holdco Proprietary Limited	Floor 11, Norton Rose, Fulbright House, 8 Riebeek Street, Cape Town, 8001	Holding company	100%
Altius Trading 397 Pty Ltd	Floor 11, Norton Rose, Fulbright House, 8 Riebeek Street, Cape Town, 8001	Dormant	100%
TC Holdco 2 Limited	Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3R7	Holding company	100%
TC Holdco 1 Limited	Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3R7	Holding company	100%

All shares held in subsidiary undertakings are Ordinary shares.

Cannes Midco II Limited is the only subsidiary undertaking held directly.

It has been deemed that Travel Counsellors Group Limited have control of Travel Counsellors LLC and its voting rights and therefore whilst the shareholding totals 49% this has been accounted for as a subsidiary undertaking.

It has been deemed that Travel Counsellors Group Limited have control of Travel Counsellors Proprietary Limited and its voting rights and therefore whilst the shareholding totals 48% this has been accounted for as a subsidiary undertaking.

8. Debtors

	2022 £000	2021 £000
Non-current		
Amounts owed by group undertakings	42,571	42,641
	2022 £000	2021 £000
Current		
Deferred taxation (note 12)	121	208

Amounts owed by subsidiary undertakings are unsecured and attract no interest.

Cannes Midco Ltd

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

9. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to parent undertakings	26,034	26,034
Accruals and deferred income	9	9
	<u>26,043</u>	<u>26,043</u>

Amounts owed to parent undertakings are unsecured, repayable on demand and attract no interest.

10. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Loan notes (note 11)	<u>1,497</u>	<u>1,358</u>

11. Loans

Analysis of the maturity of loans is given below:

	2022 £000	2021 £000
Amounts falling due after more than 5 years		
Loan notes	<u>1,497</u>	<u>1,358</u>

On 2 September 2020, the principal amount of £15,520k together with accrued interest of £4,155k due to Cannes Topco Limited pursuant to the loan notes was satisfied in full by the issue of shares in the capital of Cannes Midco Limited.

The remaining loan notes are £939k issued to management and £28k issued to a service provider as part of the acquisition of TC Holdco 1 Limited. Interest is accrued and compounded monthly at 11%. As at 31 October 2022, £529k of interest has been compounded and included within the loan notes balance above (2021 - £391k). The loan notes are repayable on 31 May 2028.

The loans are secured against the assets of the Company's subsidiary group of companies.

Cannes Midco Ltd

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

12. Deferred taxation

	2022 £000
At beginning of year	208
Charged to profit or loss	(87)
At end of year	121

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Tax losses carried forward	121	208

The Directors consider the unused tax losses to be recoverable, based on future forecasts of the Group.

The protection of the Group's existing customer loyalty is providing us with a very strong foundation for repeat custom and future business growth that will be accelerated further by the opportunity we have to grow market share. The Group's latest trading figures reflect this strength in our model and a growing customer demand for trusted, travel advice. The Group's leisure business is in fact now already performing ahead of 2019 levels and we are also seeing a strong corporate recovery reflecting the growing demand in the SME niche we serve for a high touch, personalised travel service from clients. This is supportive of the recognition of deferred tax assets in respect of losses available for offset against future profits.

13. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
150,787,441 (2021 - 150,787,441) Ordinary shares of £1.00 each	150,787	150,787

The Company has one class of ordinary shares which carry no right to fixed income. The shares are non-redeemable and rank pari passu in all respects.

Cannes Midco Ltd

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

14. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Related party transactions

The Company has taken advantage of the exemption allowed by FRS 101:8k, not to disclose any transactions with wholly owned subsidiaries that are included in the consolidated financial statements of Cannes Topco Limited. The group financial statements of Cannes Topco Limited are available from the registered offices at Venus No. 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA.

16. Controlling party

Cannes Topco Limited is the immediate and ultimate parent company.

The smallest and largest group in which the results of the Company are consolidated is that headed by Cannes Topco Limited, which is incorporated in the UK.

The ultimate controlling party is Vitruvian Partners LLP, which manages various funds, holding 82.8% of the issued equity share capital of Cannes Topco Limited.

The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group financial statements of Cannes Topco Limited. The group financial statements of Cannes Topco Limited are available from the registered offices at Venus No. 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA.