

**Neilson Active Holidays Limited**  
Company number 02987304

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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## NEILSON ACTIVE HOLIDAYS LIMITED

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**DIRECTORS AND OFFICERS**

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**DIRECTORS**

Simon Davies  
Richard Mills  
Iain Richards  
Andrew Stewart  
David Taylor  
Phillip Tyler

**REGISTERED OFFICE**

Locksview  
Brighton Marina  
Brighton  
East Sussex  
BN2 5HA

**AUDITOR**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

## STRATEGIC REPORT

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The directors present their Strategic Report on the affairs of the Company, together with the financial statements and auditor's report. This Strategic Report covers the period from 1 December 2021 to 30 November 2022.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Company is the provision of activity holidays in Europe, for both winter and summer, predominantly to the UK market under the brand Neilson Active Holidays.

The directors are pleased to report a statutory profit after tax of £3.5m (2021 loss: £11.1m) as the effects of Covid pandemic abated over the course of 2022 and overseas leisure travel returned to full operations as travel restrictions were lifted. The year was not without its headwinds; the unexpected travel ban on British nationals to France in December 2021 and January 2022 disrupted the start of the ski season whilst the onset of the Ukraine-Russia conflict in February 2022 created more uncertainty for global travel. With travel restrictions and associated Covid testing lifted early in the year, we operated an uninterrupted summer season albeit the resumption of travel at scale saw an unprepared aviation sector struggle to match resources with the associated rebound in demand, triggering widespread airport delays and flight cancellations that were widely reported in the UK media. This undermined customer demand with weaker booking momentum for May and June whilst also causing disruption for customers which in some cases led to additional compensation and costs. By mid-summer, the aviation supply chain had largely adapted but we believe some consumers elected to avoid the spectre of transport difficulties and opted for a staycation in the UK.

With Covid still very much present when planning the Ski 2021/22 season, the directors approached capacity cautiously, conscious of the twin threats of continued Omicron disruption in addition to uncertainty as to how bookings would recover. In shrinking the portfolio to 12 Neilson-run "Mountain Collection" properties ("NMC"), the Group not only retained our higher quality units, enhancing the customer proposition, but also ensured management were able to focus on the more profitable, differentiated summer product. In an undisrupted season, these 12 winter properties would provide passenger capacity of c.9,000. However, the onset of Omicron over autumn and winter 2021 triggered an unexpected, and very late announcement by the French government to ban non-essential travel to and from Britain from the 16<sup>th</sup> December 2021, just days before our first departures of the season. These measures forced the cancellation of the first 5 weeks of operations in France and had collateral damage on our Andorran programme whose flying was routed through Toulouse airport, forcing 2 lost operating weeks whilst flying operations were rearranged through Spain. The travel ban was lifted in mid-January leading to a full resumption of operations from the 23<sup>rd</sup> January 2022. Ultimately, whilst load factors and average selling prices were strong, we carried 6,578 pax for the season, over one quarter lower than original targets due to those lost weeks. Whilst warm temperatures and the resultant deterioration in snow conditions towards the end of the season did hamper late sales, we were pleased to once again be operating a profitable ski programme after the complete cancellation of the ski 20/21 season and achieved a Net Promoter Score ("NPS") of 76, just 2 points lower than pre-pandemic levels, which given the short-notice to spool-up operations in an Omicron-afflicted season was an excellent achievement.

Similar to ski planning, in light of the UK's recent emergence from the pandemic, the directors also took a cautious approach to capacity on the Summer 2022 programme, with an increase in 1 beachclub compared to Summer 2021, although the total number of beachclubs of 8, is down on pre-pandemic levels when we operated 11 in Summer 2019. 2022 saw the opening of Levante Beachclub on Rhodes, a fantastic new addition to the portfolio replacing the Aeolian Village on Lesbos whilst the Baia dei Mori Beachclub in Sardinia reopened for the first time since 2019.

Summer operations commenced in late April 2022, with volumes buoyed by almost 6,000 passengers whose bookings had been rolled from previously cancelled holidays due to Covid travel restrictions in 2020 and 2021, with some 31,400 guests ultimately holidaying with us. Whilst volumes are nearly 1/3<sup>rd</sup> lower than the pre-pandemic Summer 2019 season, this was a 220% increase on summer 2021 guest volumes, due to a full season of operation this summer compared to the disruption caused by Covid in 2021, and also partly due to the pent-up demand from consumers able to travel again. This led to healthy selling prices which were +10% compared to Summer 2021. After the necessity to conserve cash during the Covid period, 2022 saw significant sums invested into the summer programme to refresh hotels, renew and replenish our activity equipment and also enhance key service offerings such as food quality so that customers saw a significant improvement in holiday standards as we drive to deliver the excellent customer experience and ensure our holidays represent good value.

**STRATEGIC REPORT (continued)**

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**BUSINESS REVIEW AND FUTURE DEVELOPMENTS (continued)**

The Summer cost base saw considerable inflation on key items such as hotel food and energy costs and aviation fuel given the impact the Ukraine-Russia conflict had on these cost items; but despite these headwinds, we delivered a strongly profitable summer programme, saw a successful first season for our new Levante Beachclub, and were very pleased to achieve an end of season NPS of 82 for the summer, with like for like resorts exceeding the scores of Summer 2021 by 5 points.

Given the resumption of operations, staffing levels increased after the significant reductions that were necessary during the Covid period, building back talent in the marketing and commercial departments especially. We have also resumed investment in key initiatives that will contribute to Neilson delivering on its strategic goals such as enhancements to our Customer Relationship Marketing systems, adapting our reservation platform so we can sell holidays with scheduled flights alongside our charter flight options and improvements to the website to enhance the customer booking experience and allow a greater degree of self-service.

Despite the delayed start to the ski programme, 2022 marked the end of an exceptionally challenging 2.5 years for Neilson and the wider sector and it was fantastic to be focussing on delivering excellent holidays to our customers and we were pleased to once again be generating profits and report an adjusted EBITDA profit of £1.9m for the financial year (2021 loss: £9.7m). The financial position of the Company consequently shows an improvement in net liabilities to £23.6m (2021 liabilities: £27.1m). Cash at bank and in hand was £2.8m at 30 November 2022 (2021: £6.6m), the decrease driven by the unwind of summer 2020 and 2021 bookings deferred to 2022 where customers had paid holidays in full, so boosting the November 2021 cash position, whereas new bookings taken for summer 2023 are at normal deposit balance levels at November 2022.

Liquidity remained strong throughout the year with no further calls made on the wider Group's available funding facilities. In line with expectations, in January 2023, a further £3.0m was drawn from the committed funding facility to ensure the balance sheet is in a strong position as we continue to rebuild and grow the business back after the challenges of the Covid years.

Looking ahead to 2023, the Company has maintained a cautious approach to future capacity, balancing long-term decisions against the need to keep commitments tight in the short-term whilst the effects of the cost-of-living crisis and resultant reduction of discretionary household income create a more uncertain consumer environment.

For winter 2022/23, we have continued to drive our strategy to focus on the larger hotel and chalet hotel NMC properties where their scale ensures a smoother operation, the best customer experience and stronger financial performance. This has led to 4 chalets and one small chalet hotel being dropped leaving a programme of 6 hotels across France, Italy and Andorra. The target volume for the season will be c7,200 customers, 10% up on the previous winter. The programme is now at 25% of pre-covid levels, but we have retained the best properties, are able to sell most of the product direct and now have a much higher margin quality. The Ski 22/23 programme has run smoothly without Covid disruption although the start of the season saw warm temperatures and some weak snow conditions across the Alps; despite this all our customers have enjoyed good skiing as our hotels are either at high altitude snow-sure resorts or resorts with good snow-making facilities. With a relatively modest capacity, our ski programme is now virtually sold out and we are pleased to see strong recent snow across our resorts which should ensure good ski conditions remain until the end of the season.

Our Summer 2023 programme comprises 7 beachclubs and our yacht flotilla programme. This is a reduction of one beachclub, as we have exited the Retreat Beachclub in Sivota which was a difficult decision having been there for 20 years. Whilst the club has an idyllic location, and was a firm favourite amongst customers and staff, it was small and had one of the weaker activity programmes compared to some of our more recent club additions which have more space for our activity operation, and as a consequence was the weakest club for financial performance. For that reason we chose to exit when the opportunity presented itself at end of contract. As 2022 volumes benefitted significantly from customers deferring holidays booked for either summer 2020 or 2021 until summer 2022 ("2022 deferred holidays"), we will need to sell approximately 20% more holidays for summer 2023 than last year, and for that reason given the weaker economic climate than a year ago, and concerns over household spending, we chose not to replace the Retreat at this stage. Encouragingly, we are not seeing any weakness in demand from either repeat or new customers with bookings excluding the 2022 deferred holidays running ahead of the 20% growth required. Since the pandemic we have changed our pricing

## STRATEGIC REPORT (continued)

## BUSINESS REVIEW AND FUTURE DEVELOPMENTS (continued)

approach and now sell holidays at fixed prices, rather than discounting close to departure as is an industry norm, reflecting the club-based holiday that we deliver, with all customers enjoying the same experience. This removes uncertainty for our customers who can book with confidence that prices won't change regardless of when they book. We have not seen any significant change in sales patterns or repeat behaviour through this new pricing approach. After the successful introduction of a number of new initiatives last summer, most notably the enhanced food offer, this summer will see continued investment in activity equipment and hotel standards. We are excited to be introducing pickleball at Messina; pickleball is a paddle sport that combines elements of tennis, badminton and ping-pong and is the fastest growing racket sport in America. On the water we will extend our offering of e-foils and wing-foils, and on land we will be introducing e-bikes and revamping our fitness offer to provide a greater variety of cardio and strength conditioning classes. For our younger guests, we are adapting the activity programme to offer a similar range of activity classes that are currently only on offer to adults to all our teenage guests. Beyond summer 2023, we are assessing options to expand our summer capacity, whether through extension of existing sites or adding new beachclubs.

The Company is very focussed on cash, profit and especially profit margin, after the challenging period created by the pandemic. Despite the 2023 business being smaller, at roughly 75% of pre-pandemic revenues, the business is now more flexible and agile, with a smaller cost base and very focussed on the areas that deliver the best customer experience and more consistent and superior earnings. Our 2023 target is to achieve the best ever EBITDA margin through ensuring we improve occupancy in our hotels so that capacity is maximised before adding new properties in 2024, giving the Company the platform to achieve its best ever overall EBITDA. To support delivery of these targets and growth plans a new distinctive brand repositioning and marketing campaign will be launched later in 2023 to assist with increasing brand awareness and new customer acquisition.

The most important tasks of 2022 were to get back to being a holiday business, making a profit and generating cash. We have managed to achieve these 3 tasks and were especially pleased to subsequently win 'Best Travel Company for Activity/Sports Holidays' and 'Best Travel Company for Ski/Winter Sport Holidays' at the British Travel Awards in November 2022 which was a huge motivation for our teams who have worked tirelessly over the last 3 years to ensure the Group would survive the pandemic, and also demonstrates the faith and commitment shown by our customers and our partners. Without the huge support of these three groups we could not have navigated through the challenges posed by Covid, but now that we have, we confidently look forward to 2023 and beyond.

## KEY PERFORMANCE INDICATORS ("KPIs")

The Company uses a range of performance measures to monitor and manage the business effectively. The KPIs are turnover, gross profit, gross profit margin, adjusted EBITDA, and adjusted EBITDA margin. Adjusted EBITDA is a term used by management to give a true measure of the Company's performance and is defined as operating profit before the following items:

- depreciation and amortization
- usage of activity equipment spare parts and consumables that are held on the balance sheet within stock
- any losses on disposal of activity assets that are scrapped
- pre-opening costs for new hotels/clubs (set up, training and running costs before the arrival of paying guests)
- other non-recurring items, including closure costs, restructuring costs or other costs of a one-off nature

The key non-financial performance indicators are the number of guests departing on holiday in the financial year, customer satisfaction scores, repeat rates, sales conversion and booking lead times among others. The following table summarises some of these key performance indicators in the year:

For the year to 30 November	2022	2021
Turnover	£56.3m	£13.6m
Gross profit/(loss)	£9.1m	(£5.4m)
Gross profit/(loss) %	16.2%	(39.8%)
EBITDA	£0.9m	(£9.9m)
<b>Adjusted EBITDA</b>	<b>£1.9m</b>	<b>(£9.7m)</b>
Adjusted EBITDA margin	3.4%	(71.4%)
Passengers departed	38,259	9,807

## STRATEGIC REPORT (continued)

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### MARKET ENVIRONMENT AND OUTLOOK

With the Covid pandemic receding, and travel returning to more normal patterns, the directors are focussed on delivering on strategic initiatives to build a better, more profitable business. Whilst the cost-of-living crisis and rising interest rates are expected to squeeze discretionary household income in the coming months, we believe in the resilience of the sector, our product offering and our loyal customer base. The benefits of a healthy, active lifestyle has once again demonstrated its importance and the lockdowns have led to an increasing proportion of the UK population taking up new hobbies and more active lifestyles, whilst many businesses allow greater flexibility for staff to combine working from home alongside working from the office. This growth in all forms of exercise seen in the last two years is unlikely to reverse.

The directors expect the sector will enjoy an element of pent-up demand in the coming years and the number of people taking overseas leisure trips to resume its rise, as demonstrated consistently for many years prior to the Covid pandemic. European aviation capacity is expected to rebuild to pre-pandemic levels in 2024 which should provide opportunity for greater discipline around capacity management and yield in the interim as the sector recovers and rebuilds balance sheets after more than two years of historic losses and debt accumulation to survive an exceptional period.

The pandemic has forced governments, bodies in charge of issuing travel advice and travel companies to adapt and acclimatise to new procedures for travel. Whilst the sector was used to periodic, one-off shocks such as war or natural disaster, the pandemic thrust upon the industry a seismic shift in how the business communicates, reacts and adapts to the operating environment. Travel companies like this one have adapted their business-model accordingly and are now considerably more adept at dealing with uncertainty. Neilson have emerged from the pandemic a better-run, efficient and more flexible company capable of dealing with the evolving risks posed to this sector.

We do not anticipate Covid causing further travel disruption to future operations to the level endured previously. Our summer destinations, spread across the Mediterranean, are fortunately a long way from the conflict in Ukraine, and so we do not see, at this stage, any risk of operational disruption. The weakened UK economic climate, at this time, poses a short-term risk to the sector's recovery albeit the directors believe that pent-up demand will help mitigate this, with families prioritising a summer holiday in 2023. Whilst there remain some headwinds, the directors are actively engaging with multiple accommodation owners to ensure an exciting pipeline of new beachclubs to ensure Neilson is well positioned for future growth beyond 2023.

Given the aforementioned positive developments, the directors believe the UK travel industry is once again an attractive investment opportunity as consumers prioritise holidays as a form of relaxation above other areas of discretionary spending. With a reduced number of NMC hotels and beachclubs that are better filled, and at stronger average selling prices ("ASPs"), coupled with an efficient cost base, the Company expects to generate a significant increase in profitability for the coming financial year, generating surplus cash to invest further in the brand, customer proposition and new sites for future expansion. Our strategic priority will focus on our core summer market whilst maintaining a small but attractive ski programme as the longer operating season and bigger scale of our Neilson Beachclubs compared to our NMC hotels generates superior and more stable financial returns.

### PRINCIPAL RISKS AND UNCERTAINTIES

#### *Pandemic Risk*

Covid has demonstrated the devastating effect of a global pandemic on the travel industry. With this virus now behind us, the Company generated an EBITDA profit in 2022 despite operational disruption experienced on the early part of the Ski 2020/21 season. In the history of modern leisure travel, none of the previous challenges created by wars, acts of terrorism, diseases or natural disasters come close to the effects of this pandemic. The directors hope that we will not be faced with such a severe event in the near future, however our crisis management response has been honed so the business is better prepared. We took the opportunity to reduce the operational gearing of the Company to insulate further from the financial impact of future disruptions, ensuring an increase in the variable proportion of the cost base and realigned cost cashflows to the time holiday services are delivered where possible. With future profits expected to generate surplus cash, the Company's financial resilience to any future global pandemic event will be much stronger.

## STRATEGIC REPORT (continued)

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### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

#### **Market Risk**

The Company is reliant on the desire of UK consumers to take specialist activity holidays. We believe this market, as demonstrated when we were able to operate normally once again, will rebound strongly and continue to grow in the coming years as we saw until 2020. The Company is well positioned to continue to take advantage of this trend by continuing to broaden the range of activities offered at its clubs, increase the choice of destinations offered and expand the range of lifestage holiday products. The Company enjoys high levels of customer satisfaction and will continue to focus on customer service as a key differentiator to ensure that quality levels make Neilson stand out against competitors. The directors closely monitor product quality, customer satisfaction and financial performance to ensure that Neilson remains a market-leading activity specialist. The directors monitor geopolitical and economic developments closely and continue to seek opportunities to broaden the range of countries of operation to further spread any market risk, and the Company retains sufficient operational flexibility to adapt should circumstances change in any market.

#### **Financial risk**

The Company's principal financial instruments comprise intercompany balances, foreign exchange contracts, bank balances, trade debtors and trade creditors. The main purpose of these instruments is to ensure adequate funds for the Company and to mitigate any price risk or exchange rate exposure for liabilities denominated in foreign currencies.

A significant proportion of the Company's operating expenses are denominated in foreign currencies which brings exchange rate risk and exposes the Company to a greater risk of volatility either through exchange rates or inflation. To mitigate these risks, a foreign currency policy is in place to ensure hedge cover is taken out in advance of customer bookings to provide certainty of input costs for planning and pricing decisions. To ensure the effectiveness of this risk management approach, foreign exchange rates are tracked and independent advice and market intelligence is sought to ensure the ongoing appropriateness of hedging policies.

#### **Liquidity risk**

The Company has appropriate finance facilities and currency trading lines in place with shareholders and financial institutions. The Company uses its annual budget and planning process to predict and manage expected future liquidity. The liquidity forecast is reviewed and updated on a regular basis for any significant developments.

#### **Credit risk**

The Company's principal credit risk is attributable to trade debtors so robust processes to manage debtors requires all customer balances to be paid 12-weeks prior to departing on holiday, ensuring credit exposures are kept to a minimum.

### STATEMENT OF DIRECTOR'S DUTIES TO STAKEHOLDERS

The board identified the following stakeholders and sets out our engagement and interaction with these groups below:

**Shareholders:** With the continued support of the ultimate parent company's shareholders, Neilson are fortunate to retain the financial capability to develop and drive the Company's strategic objectives whilst also having access to a flexible funding solution made available to the wider Group should further disruption arise. Representatives of the lead investor are members of the ultimate parent company's board and attend the monthly meetings, providing input, perspective and challenge into this strategic direction to ensure a balanced and considered approach to decision-making. The impact of decisions made during the year is documented throughout this report.

**Banking partners:** As with other key stakeholders, the banks are provided with detailed financial information on a regular basis to allow them to monitor the performance of the Company, and have periodic update calls with the CEO and CFO.

**Employees:** Represent and typify the values of the Neilson brand and details on how the Company engages with its employees can be found on page 10.

**Customers:** Remain the Company's primary focus as we engage with our customers to monitor experience, ensure their expectations are met, and continue to enhance and develop our product offering. This is a key part of our strategy to ensure we continue to retain and enjoy industry leading levels of repeat custom and customer satisfaction.



STRATEGIC REPORT (continued)

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STATEMENT OF DIRECTOR'S DUTIES TO STAKEHOLDERS (continued)

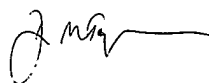
**Regulators:** Regulators such as the Civil Aviation Authority ("CAA"), monitor our financial and trading activities through the provision of monthly management information and financial reports, and consider the annual grant of our Air Travel Organiser's Licence ("ATOL") by way of detailed dialogue with the directors, review of forecasts and underlying assumptions as well as a financial assessment of the Company and wider Group's balance sheet and liquidity.

**Suppliers:** This contingent have also played an important role in constructively supporting the Company during the Covid-enforced hibernation period. The directors have engaged with suppliers and partners to vary contracts and realign payment and commercial terms, where possible, giving the Company breathing space during the pandemic and the directors wish to acknowledge and thank them once again for their support.

**OUR PEOPLE**

Following the difficult but unfortunately necessary reductions in our workforce in 2020 and 2021, the return to more normal trading and operating patterns in 2022 placed considerable strain on our smaller team. We are fortunate to have very dedicated, experienced and loyal staff who have pulled together to ensure we were once again delivering fantastic holidays for our customers in 2022 and it was extremely rewarding for us all to win 2 prizes at the British Travel Awards in November 2022. I would like to thank all the team for their outstanding support and efforts which ensured Neilson was back to being an award-winning holiday business so swiftly after the pandemic.

The Strategic Report has been approved and is signed on behalf of the board by:



**David Taylor**  
Chief Executive Officer  
24 March 2023

## **DIRECTORS' REPORT**

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The directors submit their annual report for the Company, together with the Company financial statements and auditor's report for the year ended 30 November 2022.

### **FUTURE DEVELOPMENTS**

Details of future developments can be found in the Strategic Report.

### **RESULTS AND DIVIDENDS**

The Company's pre-tax profit for the year was £0.5m (2021 loss: £11.1m).

The directors do not recommend a dividend for the year (2021: £nil).

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's financial risk management objective and policies, including hedging and exposure to market, financial, liquidity and credit risk are detailed in the Strategic Report.

### **DIRECTORS**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Simon Davies  
Richard Mills  
Iain Richards  
Andrew Stewart  
David Taylor  
Phillip Tyler

### **THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS**

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its directors. During the year the Company also granted indemnities to each of its directors to the extent permitted by law. Qualifying third party indemnity provisions, to the extent permitted by law and in accordance with the Company's Articles of Association, were made during the year and remain in force at the date of this report.

### **EQUAL OPPORTUNITIES**

The Company is committed to an active equal opportunities policy from recruitment and selection, through training and development, performance reviews and promotion to retirement. It is our policy to promote an environment that is free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment are objective and based solely on work criteria and individual merit. If members of staff become disabled, the Company continues employment wherever possible and arranges retraining.

### **EMPLOYEE INVOLVEMENT**

The Company is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. During the year the Company held regular briefing meetings to update on a variety of business and travel sector matters and encourage the involvement of employees. Surveys are held regularly as a means of measuring the effectiveness of the ways in which staff are managed.

### **BRANCHES OUTSIDE THE UK**

The Company has two unincorporated branches in France, one in Austria and one in Italy.

**DIRECTORS' REPORT (continued)****GOING CONCERN**

The directors have considered the business activities and the current trading position of the Company and wider Group together with internal cash flow projections, taking account of the diminishing effects of the pandemic and other geopolitical risks. Compared to 12-months ago, the uncertainty over operating without interruption has been removed as we returned to more normal trading patterns as travel restrictions were lifted and customers once again holidayed overseas in meaningful volumes. As reported in last year's financial statements, to ensure the Company and wider Group had access to adequate funding facilities to cope with the prolonged disruption caused by the Covid pandemic, the directors of the ultimate parent company agreed in May 2021 a flexible funding facility of up to £14m with shareholders designed to ensure the Group had sufficient access to capital to endure at the worst case, no operations until Summer 2022. The £14m flexible funding facility was agreed as a committed £7m facility and a further £7m approved, but subject to further shareholder consent.

After an initial draw on this facility of £3.1m in May 2021, no further draws were made during the 2022 financial year as the Company retained strong liquidity by successfully migrating bookings on 2021 holidays cancelled as a result of Covid into 2022 to keep refunds to a minimum, as well as agreeing a number of payment plans to minimise cash leakage whilst the Company recovered from effects of the pandemic. As the Company now looks to growth and rebuilding the summer business to pre-Covid levels in 2023 and beyond, it was necessary in January 2023 to draw a further £3m from the Group's committed facility to ensure the Company could drive this growth without undue strain on the balance sheet, where expenditure for marketing and resort investments is in advance of sales receipts. Of the Group's committed facility, £6.1m has now been drawn at the date of signing these financial statements, leaving a further £0.9m available. With Covid having receded and travel restrictions lifted, the directors prepared updated forecasts for the forthcoming 12-month period which indicate no further need to draw on the funding facility.

Coupled with visibility over booking intakes for the 2023 financial year, the directors are confident in the Company's forward financial prospects and that sufficient liquidity exists to support the current aims and strategic investment required to drive the business forward. The directors continue to monitor the evolving UK macro-economic environment as well as the ongoing conflict in Ukraine. Whilst either has the propensity to disrupt short-term booking intakes, they are not expected to impact the operations or profitability of the Company for the forthcoming winter 2022/23 or summer 2023 seasons at this time.

The Company has received an offer letter from the CAA in respect to the ATOL renewal for the new licence period commencing 1 April 2023. Based on the Company and wider Group's cash flow forecasts, liquidity position and residual financing facility, the directors are satisfied the Company has adequate financial resources to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. Further details are included in the going concern paragraph in the Accounting Policies.

**STREAMLINED ENERGY AND CARBON REPORTING**

The Company have undertaken a long-term commitment to continuing to reduce carbon emissions and our impact on the environment. We are addressing this in a number of different ways;

- We are working with suppliers to install solar and other renewable forms of energy generation at our properties
- Reviewing available options for carbon offsetting
- Working with airlines who recognise the value of more modern, fuel efficient fleets and innovations such as sustainable aviation fuel to reduce emissions in the longer term
- Utilising a waste management company to minimise landfill
- Adopting a flexible working programme, enabling staff to work from home and reducing commuting

The financial year's intensity performance ratio was measured at 0.0013 (2021: 0.0036). This ratio was calculated using total passenger numbers as an appropriate metric for a tour operator;

	Amount Consumed		Gross emissions (tCO <sub>2</sub> e)				Passengers	Intensity Ratio
	Electricity -kWh	Transport -Km	Scope 1	Scope 2	Scope 3	Total		
<b>2021-22</b>	121,629	154,115	-	24	26	<b>50</b>	38,259	<b>0.0013</b>
<b>2020-21</b>	105,928	76,585	-	22	13	<b>36</b>	9,807	<b>0.0036</b>

**DIRECTORS' REPORT (continued)**

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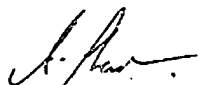
**AUDITOR**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor.

By order of the board



**Andrew Stewart**  
Chief Financial Officer  
24 March 2023

## **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEILSON ACTIVE HOLIDAYS LIMITED**

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**Opinion**

We have audited the financial statements of Neilson Active Holidays Limited (the 'company') for the year ended 30 November 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included a review and challenge of the forecasts and associated assumptions prepared by management, a review of current year trading to date compared to budget, and consideration of the sensitivity of the key assumptions within forecasts.

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

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

**Other information**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEILSON ACTIVE HOLIDAYS LIMITED  
(continued)**

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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.

**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.

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

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 material misstatements in the strategic report or the directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 13, 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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEILSON ACTIVE HOLIDAYS LIMITED  
(continued.)**

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that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Air Travel Organiser's Licenses, the Civil Aviation Authority, and the Association of British Travel Agents. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls, provisions and going concern as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Provisions were reviewed against available supporting evidence and for going concern, our procedures included a detailed review and challenge of the forecasts and associated assumptions prepared by management, a review of current year trading to date compared to budget, and consideration of the sensitivity of the key assumptions within forecasts.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEILSON ACTIVE HOLIDAYS LIMITED  
(continued.)**

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**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.

*RSM UK Audit LLP*

Ian Bell FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

24 March 2023

# NEILSON ACTIVE HOLIDAYS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2022

		30 November 2022	30 November 2021
	Notes	£'000	£'000
<b>TURNOVER</b>	2	56,289	13,586
Cost of sales		(47,194)	(18,992)
<b>GROSS PROFIT/(LOSS)</b>		9,095	(5,406)
Administrative expenses		(8,616)	(6,930)
Other operating income	3	2	1,583
<b>OPERATING PROFIT/(LOSS)</b>		481	(10,753)
Interest receivable and similar income	4	27	-
Interest payable and similar charges	5	(6)	(339)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	3	502	(11,092)
Taxation	7	3,038	29
<b>PROFIT/(LOSS) AFTER TAXATION AND LOSS FOR THE FINANCIAL YEAR</b>		3,540	(11,063)
<b>OTHER COMPREHENSIVE INCOME (net of tax)</b>			
Hedge accounting fair value (losses)/gains	15	(94)	95
Currency translation differences		1	(9)
Total other comprehensive (expense)/income		(93)	86
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		3,447	(10,977)
Profit/(loss) for the year attributable to owners of the parent		3,540	(11,063)
Total comprehensive income/(expense) for the year attributable to owners of the parent		3,447	(10,977)

## STATEMENT OF FINANCIAL POSITION

Company Registration No: 02987304

AT 30 NOVEMBER 2022

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	414	311
Tangible assets	10	231	344
Investments	11	3,502	3,505
		<u>4,147</u>	<u>4,160</u>
<b>CURRENT ASSETS</b>			
Stocks	12	64	177
Debtors	13	13,930	13,765
Cash at bank and in hand		2,825	6,618
		<u>16,819</u>	<u>20,560</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	14	(42,780)	(46,556)
<b>NET CURRENT LIABILITIES</b>		<u>(25,961)</u>	<u>(25,996)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(21,814)</u>	<u>(21,836)</u>
<b>PROVISIONS FOR LIABILITIES</b>	16	(1,827)	(5,252)
<b>NET LIABILITIES</b>		<u>(23,641)</u>	<u>(27,088)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	-	-
Profit and loss account	17	(23,641)	(27,088)
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT AND TOTAL EQUITY</b>		<u>(23,641)</u>	<u>(27,088)</u>

The financial statements on pages 18 to 37 were approved by the board of directors and authorised for issue on 24 March 2023 and are signed on its behalf by:



David Taylor  
Chief Executive Officer



Andrew Stewart  
Chief Financial Officer

# NEILSON ACTIVE HOLIDAYS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Share capital	Profit and loss account
	£'000	£'000
<b>Balance at 1 December 2020</b>	-	<b>16,111</b>
Loss for the year	-	(11,063)
Other comprehensive income, net of tax:-		
Hedge accounting fair value gains	-	95
Currency translation difference	-	(9)
<b>Total comprehensive loss for the year</b>	-	<b>(10,977)</b>
<b>Balance at 30 November 2021</b>	-	<b>(27,088)</b>
<b>Year ended 30 November 2022:</b>		
Profit for the year	-	3,540
Other comprehensive income, net of tax:-		
Hedge accounting fair value losses	-	(94)
Currency translation differences	-	1
<b>Total comprehensive income for the year</b>	-	<b>3,447</b>
<b>Balance at 30 November 2022</b>	-	<b>(23,641)</b>

## ACCOUNTING POLICIES

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### FOR THE YEAR ENDED 30 NOVEMBER 2022

#### GENERAL INFORMATION

Neilson Active Holidays Limited ("the Company") is a private company limited by shares domiciled and incorporated in England and Wales.

The address of its registered office and principal place of business is Locksview, Brighton Marina, Brighton, East Sussex, BN2 5HA.

The Company's nature of operations and principal activities are set out in the Strategic Report.

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The Company was a wholly owned subsidiary as at 30 November 2022 and is included within the audited consolidated accounts of Neilson Active Holidays Group Limited, which have been prepared in accordance with FRS 102 and filed with the registrar of Companies. The Company is therefore exempt from the obligation to prepare consolidated financial statements in accordance with section 400 of the Companies Act 2006.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – *Reconciliation of the opening and closing number of shares*
- Section 7 'Statements of Cash Flows' – *Presentation of a statement of cash flows and related notes and disclosures*
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – *Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the profit or loss and in other comprehensive income*
- Section 33 'Related Party Disclosures' – *Compensation for key management personnel*

The financial statements of the Company are consolidated in the financial statements of Neilson Active Holidays Group Limited. The consolidated financial statements of Neilson Active Holidays Group Limited are available from its registered office, Locksview, Brighton Marina, Brighton, East Sussex, BN2 5HA.

## ACCOUNTING POLICIES (continued)

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### GOING CONCERN

The directors have considered the business activities and the current trading position of the Company together with internal cash flow projections.

At the time of signing these financial statements, the impacts of the Covid pandemic, both in the UK and across Continental Europe where the Company operates, have waned considerably to the point where no further impact on operations is expected for the coming financial year. The Ukraine-Russia conflict sadly continues but the directors do not anticipate this impacting operations. The escalating cost-of-living crisis and rising interest rates are expected to erode discretionary household income as average pay awards fall further behind inflationary pressures. This remains a concern and the directors are continually monitoring booking activity to identify any price resistance or trends given the increase in ASPs for 2023. Whilst these macro-economic developments have the propensity to influence booking patterns, the directors are confident the combination of reduced capacity, pent-up demand and investing in marketing to attract new customers will support in delivering our revenue targets for the full year.

The Company already has very good visibility over booking intakes for the ski 2022/23 season and summer 2023 programme, with pressure on sales run-rates eased thanks to the cautious approach to capacity and commitment taken. The residual £0.9m committed funding (taking account of the additional £3m drawn in January 2023) and further £7m available, subject to approval by the ultimate parent company's shareholders, provides the Company with further access to capital. The directors do not anticipate further draws being necessary, other than for investment opportunities as the Company is forecast to have sufficient liquidity and regulatory covenant headroom.

The Company has received a licence offer on normal terms and expect this to be renewed for the 1 April 2023. The Group will also continue to provide support to its subsidiaries, including the Company, and does not intend to recall any inter-group creditor balances.

Based on current trading, cashflow forecasts and the regulatory regime the Company operates in, the directors have concluded that there is a reasonable expectation that the Company has adequate financial resources to operate for the foreseeable future. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

### FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling, which is also the functional currency of the Company.

### TURNOVER AND ASSOCIATED COSTS

Revenue represents the aggregate amount of gross revenue received or receivable from package holidays and other services supplied to customers in the ordinary course of business. Revenues and direct expenses relating to package holidays are taken to the Statement of Comprehensive Income on a flight or holiday departure date basis. Direct expenses include all accommodation, transport and commission costs and other direct operational costs, which are classified as "cost of sales" within the Statement of Comprehensive Income. Cancellation revenue is recognised at the point of cancellation.

Customer monies received or receivable at the balance sheet date relating to holidays commencing and flights departing after the period end is deferred and classified as deferred revenue.

### OPERATING PROFIT/(LOSS)

Operating profit or loss is calculated as turnover less cost of sales to give gross profit or loss and subsequently increased by other operating income and reduced by administrative expenses as adjusted for separately disclosed items.

**ACCOUNTING POLICIES (continued)**

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**INTANGIBLE FIXED ASSETS**

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Computer software	4 years
Website development costs	3 years

The useful lives represent management's best estimate of usefulness of the assets. Amortisation is revised prospectively if there is a significant change in the useful life or residual value.

The gain or loss on disposal of computer software is calculated as the difference between the proceeds received and the net book value of the asset on disposal, and is recognised on the date of disposal in operating profit.

***Internally generated***

Cost of other internally generated brands, logos, publishing titles, customer lists and similar items are expensed as incurred. Salary costs are capitalised based on time spent developing intangible assets.

***Other intangible assets***

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, there is no evidence of exchange transactions for the same or similar assets and estimating fair value would depend on immeasurable variables.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	10 years
Fixtures, fittings and equipment	4 - 6 years
Computer hardware	4 years
Yachts	15 years
Sports Equipment	4 - 10 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

**IMPAIRMENTS OF FIXED ASSETS**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If an indication exists, the Company estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in profit and loss. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to reflect the revised carrying amount.

**FIXED ASSET INVESTMENTS**

Investments in subsidiaries, associates and jointly controlled entities are recorded at cost less impairment. All investments in equity instruments are assessed individually for impairment.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**ACCOUNTING POLICIES (continued)**

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**STOCKS**

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase price calculated on a first-in, first-out basis. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution. Provision for impairment is made, where necessary, for slow moving, obsolete and defective stock. Reversals of impairment losses are also recognised in profit or loss.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are basic financial instruments and include cash in hand and other short-term liquid investments with original maturities of three months or less.

**FOREIGN CURRENCIES**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the budget rate and restated at the effective hedge rate at the end of the season.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**TAXATION**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods, or are specifically disallowed. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or using other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the tax follows the transaction or event it relates to and is also charged or credited directly to other comprehensive income, or equity.

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

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.



**ACCOUNTING POLICIES (continued)**

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**LEASES**

All leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term. When a new operating lease is signed and utilisation is restricted, the cost relating to the restricted period is apportioned on a straight-line basis over the remainder of the lease.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

**EMPLOYEE BENEFITS**

The costs of short-term employee benefits are recognised as a liability and an expense. Employees are entitled to carry forward any unused holiday entitlement at the reporting date for one month to 31 December in the following financial year. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**RETIREMENT BENEFITS**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

**FINANCIAL INSTRUMENTS**

The Company has elected to apply the provisions of Sections 11 and 12 of FRS 102, in full, to all of its 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***

Trade debtors are recognised initially at the transaction price. A trade debtor in respect to direct customers and third party agent debtors is recognised at the point of the holiday departure date. Trade debtors are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments are recorded at the net proceeds of issue after deducting directly attributable transaction costs.

## ACCOUNTING POLICIES (continued)

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### *Financial assets and liabilities (continued)*

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value, at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedge for hedge accounting purposes, and if so, the nature of the risk being hedged.

In order to ensure these derivatives meet the qualification requirements for hedge accounting, the Company has a policy in place to govern the overall hedge strategy. This policy is strictly applied with regular cash forecasts and tests to monitor hedge activity and hedge effectiveness.

The Company uses foreign exchange contracts to limit its exposure to foreign exchange risks on highly probable forecast foreign currency purchases. The Company designates these derivatives as hedges for accounting purposes. Where a derivative has been designated as a hedge for hedge accounting purposes, the portion of the change in the fair value of that hedging instrument that was effective in offsetting the change in the expected cashflows is recognised in other comprehensive income.

### **PROVISIONS**

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

Reimbursements up to the amounts required to settle the obligation are recognised as separate assets only when receipt on settlement of the obligation is virtually certain.

### **Restructuring**

Provisions for restructuring costs are recognised when the Company has a legal obligation or a constructive obligation arising from a detailed formal plan for the restructuring which has been notified to affected parties.

### **DIVIDENDS**

Dividend payments are recognised as liabilities once they are no longer at the discretion of the Company.

### **GOVERNMENT GRANTS**

Coronavirus Job Retention Scheme income and other tourism support grants awarded by both UK and European bodies are recognised in the profit and loss account on successful receipt of this funding, having successfully complied with the application conditions. Only that element which is not subject to repayment at a later date is disclosed as income, whilst that element of grant that is repayable is disclosed within long-term creditors.

## NOTES TO THE FINANCIAL STATEMENTS

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### FOR THE YEAR ENDED 30 NOVEMBER 2022

#### 1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **ESTIMATES**

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

###### *Derivative financial instruments*

Estimates are required in determining the fair value of derivative financial instruments at each balance sheet date. Where appropriate, external valuations from financial institutions are undertaken to support the carrying value of such items.

###### *Tax*

Tax assets and liabilities represent management's estimate of tax that will be payable or recoverable in the future and may be dependent on estimates of future profitability. In addition, estimates have been made on the probable future utilisation of tax losses and deferred tax assets have been recognised. With the Company making taxable profits in 2022 and projecting taxable profits in future years as Covid recedes, the directors have recognised a larger deferred tax asset in respect of losses of £4,850k (2021: £1,805k), largely accumulated during the pandemic, equivalent to 3 years' of forecast profits. In terms of value, this still leaves approximately 50% of utilisable losses unrecognised at 30 November 2022.

###### *Provisions*

The Company has recognised provisions in respect to the closure of our Turkish and Spanish entities, recoverability of rental deposits, onerous leases and ongoing litigation and claims. These provisions are based on guidance provided by advisors or management's best estimate of the cost where the outcome is more uncertain.

###### *Intercompany balances*

Intercompany balances are assessed for recoverability at each financial year end and no issues identified.

##### **JUDGEMENTS**

###### *Recoverable amounts of deposits and prepayments*

Judgements have been made in respect of the volumes of future trading, the credit-worthiness and any disputed amounts made to hoteliers and landlords in order to assess the recoverable amounts of deposits and prepayments.

###### *External regulatory requirements*

The Company must hold an ATOL issued by the CAA to sell and operate air-inclusive package holidays. The CAA grants the licence annually, with the licence period running from 1 April to 31 March each year. The directors expect the licence will be renewed as normal on 1 April 2023 following receipt of the offer letter in March 2023 which contains a number of conditions precedent which we expect to be satisfied in full.

###### *Carrying value of investments*

The carrying value of investments are regularly assessed for impairment by way of a value in use study using a discounted cashflow forecast. No such issues were identified with carrying value of investments.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. TURNOVER

The Company has only one principal activity, which is the supply of specialist activity holiday services. All results relate to this activity.

	2022 £'000	2021 £'000
Source of turnover		
UK	55,567	13,519
Other European countries	722	67
<b>Total Turnover</b>	<b>56,289</b>	<b>13,586</b>

## 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2022 £'000	2021 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	109	362
Amortisation of intangible fixed assets	286	500
Loss on disposal of tangible fixed assets	120	490
Stock consumption	896	-
Operating lease rentals	13,221	2,225
UK Government furlough grants – other operating income	-	(694)
Overseas Covid support grants – other operating income	(2)	(880)
Stock impairment	-	17
Auditor's remuneration	131	106

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2022 £'000	2021 £'000
Audit services	105	86
Taxation compliance services	26	20
	<b>131</b>	<b>106</b>

## 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £'000	2021 £'000
Interest receivable	-	-
Currency translation through P&L	27	-
	<b>27</b>	<b>-</b>

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £'000	2021 £'000
Other interest payable	6	49
Currency translation through P&L	-	290
	<b>6</b>	<b>339</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 6. EMPLOYEES

	2022 No.	2021 No.
The average monthly number of persons (including directors) employed by the Company during the year was:		
Administration, office and overseas staff	270	154
	<b>2022 £'000</b>	<b>2021 £'000</b>
Staff costs for the above persons:		
Wages and salaries	5,764	3,606
Social security costs	493	308
Defined contribution pension cost (note 19)	159	97
Other staff costs	2	41
	<b>6,418</b>	<b>4,052</b>
<b>DIRECTORS</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Emoluments	868	578
Company contributions to money purchase pension schemes	73	51
Social security costs	123	69
	<b>1,064</b>	<b>698</b>
	<b>2022 £'000</b>	<b>2021 £'000</b>
Directors' emoluments disclosed above include the following payments:		
Highest paid director:		
Emoluments	199	155
	<b>199</b>	<b>155</b>

The directors are considered to be the key management personnel of the Company. The full amount of the directors' remuneration is not disclosed in this Company as some of their costs are borne by other companies across the Group based on a suitable time apportionment. There were no loans, quasi-loans or other transactions with directors (or other key management personnel) which would need to be disclosed under the requirements of Part 10 of the Companies Act 2006.

At 30 November 2022 £39k (2021: £21k) of pension liabilities in respect of directors remains outstanding.

## 7. TAXATION

	2022 £'000	2021 £'000
<b>Current tax</b>		
UK tax	-	-
Foreign tax	18	(12)
<b>Total current tax expense/(credit)</b>	<b>18</b>	<b>(12)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,056)	(17)
<b>Total deferred tax credit</b>	<b>(3,056)</b>	<b>(17)</b>
<b>Total tax credit on profit/(loss) on ordinary activities</b>	<b>(3,038)</b>	<b>(29)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. TAXATION (continued)

**Factors affecting tax (credit)/charge for the period**

The tax assessed for the period is based on the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are explained below:

	2022 £'000	2021 £'000
<b>Company profit/(loss) on ordinary activities before tax</b>	<b>541</b>	<b>(11,092)</b>
Company profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%).	103	(2,107)
<i>Effects of:</i>		
Expenses that are not deductible in determining taxable profit	27	128
Group relief surrendered/(claimed)	8	(1)
Income not taxable for tax purposes	-	(167)
Other permanent difference	(21)	(71)
Foreign tax credits	18	(12)
Adjustments to deferred tax in respect of earlier periods	(3,045)	-
Adjustments in respect of deferred tax not recognised	(117)	2,201
Effect of movement in tax rates	(11)	-
<b>Tax credit for the year</b>	<b>(3,038)</b>	<b>(29)</b>

**Deferred tax included in the balance sheet is as follows:**

	2022 £'000	2021 £'000
Included in debtors (note 13)	4,912	1,856
	<b>4,912</b>	<b>1,856</b>

	2022 £'000	2021 £'000
Accelerated capital allowances	47	42
Short term timing differences	15	9
Losses carried forward	4,850	1,805
	<b>4,912</b>	<b>1,856</b>

## 8. DIVIDENDS

There were no dividends paid or proposed during the year ended 30 November 2022 (2021: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 9. INTANGIBLE ASSETS

	Computer software & website development costs £'000
<b>Cost:</b>	
1 December 2021	1,298
Additions – internally developed	162
Additions – separately acquired	227
<b>30 November 2022</b>	<b>1,687</b>
<b>Amortisation:</b>	
1 December 2021	987
Amortisation charged in the year	286
<b>30 November 2022</b>	<b>1,273</b>
<b>Carrying amount:</b>	
30 November 2022	<b>414</b>
1 December 2021	311

The amortisation charge for the year is recognised within administrative expenses.

## 10. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £'000	Fixtures, Fittings and Equipment £'000	Computer Hardware £'000	Sports Equipment £'000	Total £'000
<b>Cost or valuation:</b>					
1 December 2021	153	250	212	877	1,492
Additions	1	20	17	93	131
Disposals	-	-	(1)	(403)	(404)
<b>30 November 2022</b>	<b>154</b>	<b>270</b>	<b>228</b>	<b>567</b>	<b>1,219</b>
<b>Depreciation and impairment:</b>					
1 December 2021	152	193	165	638	1,148
Depreciation charged in the year	1	48	16	58	123
Disposals	-	-	(1)	(282)	(283)
<b>30 November 2022</b>	<b>153</b>	<b>241</b>	<b>180</b>	<b>414</b>	<b>988</b>
<b>Carrying amount:</b>					
<b>30 November 2022</b>	<b>1</b>	<b>29</b>	<b>48</b>	<b>153</b>	<b>231</b>
<b>1 December 2021</b>	<b>1</b>	<b>57</b>	<b>47</b>	<b>239</b>	<b>344</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11. SUBSIDIARY UNDERTAKINGS

The Company's subsidiary undertakings are:

Name of undertaking & Registered Address	Country of incorporation	Proportion of ordinary shares directly held	Nature of Business
Neilson Hellas AE <i>31 Litsa Filippou, Halandri, Attikki 15234, GREECE</i>	Greece	100%	Holiday services
OA Yacht Charters SA <i>31 Litsa Filippou, Halandri, Attikki 15234, GREECE</i>	Greece	100%	Yacht charters
Neilson Turizm Danismanlik Ve Ticaret Ltd STI <i>2 Mersinaki Koyu, Eski Foça, Izmir, TURKEY</i>	Turkey	100%	In liquidation
Neilson Marin Yatirim Turizm Ve Isletmecilik Ltd STI <i>2 Mersinaki Koyu, Eski Foça, Izmir, TURKEY</i>	Turkey	100%	Dormant
Praznik D.O.O. ZA Turizm <i>Uz Jadransku cestu 146 20236 Mokošica, Dubrovnik CROATIA</i>	Croatia	100%	Dormant
Vitages Astral S.L. <i>Urbnizacio de Sant Pere, Nu 3, Edifici Border del Grau, Planta Baixa, El Tarter, Canillo AD100, ANDORRA</i>	Andorra	100%	Ski operation
Neilson Flights Limited <i>Locksview, Brighton Marina, Brighton, UK</i>	UK	100%	Dormant
Neilson Retail Limited <i>Locksview, Brighton Marina, Brighton, UK</i>	UK	100%	Retail agent
Neilson Tour Operations Limited <i>Locksview, Brighton Marina, Brighton, UK</i>	UK	100%	Ski operation
Neilson Egypt for Watersports SAE <i>35 Ellessra Street, Lebanon Square, Giza, EGYPT</i>	Egypt	100%	Dormant
Neilson Active Holidays Sardinia S.R.L.S. <i>28 Via Alghero, Nuoro 08100, Sardinia, ITALY</i>	Italy	100%	Holiday services
Neilson Holidays Travel Agency d.o.o. <i>U.I.F. Tudmana 14, Starigrad, 23244 Paklenica, CROATIA</i>	Croatia	100%	Holiday services
Neilson Holidays Spain S.L. <i>Avda. Teniente Montesinos, 8 – Torre A, 7a planta, 30100 Murcia, SPAIN</i>	Spain	100%	In liquidation



## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11. SUBSIDIARY UNDERTAKINGS (continued)

The directors believe that the carrying value of the investments is supported by their underlying net assets. The financial statements of all subsidiaries are prepared to 30 November. Dormant companies are exempt from preparing individual accounts by virtue of s394A of Companies Act 2006 and are exempt from filing with the registrar individual accounts by virtue of s448A of Companies Act 2006.

INVESTMENTS	Shares £'000
<b>Cost:</b>	
At 1 December 2021	3,546
Disposal	(3)
<b>At 30 November 2022</b>	<b>3,543</b>
<b>Provisions for impairment:</b>	
At 1 December 2021	(41)
Impairment losses	-
<b>At 30 November 2022</b>	<b>(41)</b>
<b>Carrying amount:</b>	
<b>At 30 November 2022</b>	<b>3,502</b>
<b>At 30 November 2021</b>	<b>3,505</b>

	2022 £'000	2021 £'000
The carrying amount of shares held by the Company at 30 November were:		
Neilson Hellas AE	3,387	3,387
OA Yacht Charters SA	108	108
Neilson Turizm Danismanlik Ve Ticaret Ltd STI ( <i>In liquidation</i> )	-	-
Neilson Marin Yatirim Turizm ve Isletmecilik Ltd Sti	-	-
Praznik D.O.O. ZA Turizam	-	-
Vitages Astral S.L.	2	2
Neilson Flights Limited	2	2
Neilson Retail Limited	-	-
Neilson Tour Operations Limited	-	-
Neilson Egypt for Watersports SAE	-	-
Neilson Active Holidays Sardinia S.R.L.S.	-	-
Neilson Holidays Travel Agency d.o.o.	3	3
Neilson Holidays Spain S.L.	-	3
	<b>3,502</b>	<b>3,505</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. STOCK

	2022 £'000	2021 £'000
Goods held for resale	64	177

During the year to 30 November 2022, no stock impairment was recognised as a result of obsolescence (2021: £17k).

## 13. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	15	5
Amounts owed by subsidiary undertakings	1,815	5,303
Amounts owed by parent undertakings	5,233	5,203
Other debtors	258	86
Prepayments and accrued income	1,014	1,025
Deferred taxation	1,173	-
	9,508	11,622
Amounts falling due after more than one year:		
Prepayments and accrued income	683	287
Deferred taxation	3,739	1,856
	13,930	13,765

Amounts owed from and to Group entities are unsecured, incur no interest and are repayable on demand.

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	1,113	430
Amounts owed to subsidiary undertakings	366	487
Amounts owed to parent undertakings	29,422	29,468
Other taxation and social security costs	1,512	1,734
Derivative financial instruments (note 15)	164	71
Other creditors	56	48
Accruals and deferred income	10,147	14,318
	42,780	46,556

Amounts owed to Group entities are unsecured, incur no interest and are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. FINANCIAL INSTRUMENTS

The carrying amount of the Company's financial instruments at 30 November were:

	2022 £'000	2021 £'000
<b>Financial assets:</b>		
Measured at fair value through comprehensive income:		
Derivative financial instruments	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Financial liabilities:</b>		
Measured at fair value through comprehensive income:		
Derivative financial instruments	164	71
<b>Total</b>	<u>164</u>	<u>71</u>

All derivative financial instruments meet the conditions for hedge accounting, as set out in the Accounting Policies notes.

**Foreign Exchange Forward Contracts**

The Company uses derivative instruments to hedge against significant future transactions and cash flows denominated in foreign currencies. The Company enters into a variety of foreign currency forward contracts and options in the management of its exchange rate exposures.

The Company undertakes hedging transactions to mitigate the risk of unfavourable changes in the prices.

The fair values of the Company's derivative financial instruments set out above have been determined by reference to prices available from the markets in which the instruments are traded.

The contracts are valued based on available market data. The Company adopts hedge accounting for forward exchange contracts and has recognised a movement of £230k gain (2021: £11k gain) in profit on ordinary activities before taxation and a £94k loss (2021: £95k gain) in the other comprehensive income in the period.

At the period end, the total carrying amount of outstanding foreign exchange forward contracts that the Company has committed to are as follows:

	2022 £'000	2021 £'000
Euros	<u>13,625</u>	<u>14,157</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 16. PROVISIONS FOR LIABILITIES

	Accommodation Deposit & Rental Provision £'000	Beachclub exit Provision £'000	Legal Claims £'000	Total £'000
1 December 2021	2,345	2,848	60	5,253
Additional provision in the year	457	-	-	457
Utilised in the year	(1,477)	(2,391)	(15)	(3,883)
<b>30 November 2022</b>	<b>1,325</b>	<b>457</b>	<b>45</b>	<b>1,827</b>

The accommodation deposit & rental provision are provisions relates to probable dilapidation charges against damage deposits advanced to leased properties when we ultimately come to exiting the property. Onerous rental and running costs estimated in respect to the lost five weeks of the winter 2021/22 season due to Covid have been released during the year hence the reduction year on year.

The current and prior period beachclub exit provision predominantly relates to property closures in Turkey and Spain which remain in ongoing legal dispute at the financial year ends. The value utilised in the year is driven by the exit from the Mar Menor Beachclub, contracted by the subsidiary Neilson Holidays Spain S.L., an entity now in the process of being liquidated and the balances written down to nil.

The legal claims provision represents the Company's liability in respect of legal actions taken against the Company not yet resolved and represents management's best estimate of future cash outflows in respect of claims yet to be resolved. The Company holds an insurance policy in respect of legal claims limiting the liability to £5k, and dependent upon the situation the directors may seek to recover costs from its suppliers where it is appropriate. The provision is shown on a net basis taking into consideration our liability excess derived from our insurance policy.

## 17. SHARE CAPITAL AND RESERVES

## SHARE CAPITAL

Ordinary shares of £1 each  
Number

Allotted, issued and fully paid:

At 1 December 2021 and 30 November 2022

100

The Company's ordinary shares, which carry no right to fixed income, each carries the right to one vote at general meetings of the Company.

## RESERVES

Reserves of the Company represent retained earnings, comprising cumulative profit and loss net of distributions to owners.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

**18. COMMITMENTS UNDER OPERATING LEASES**

The Company as a lessee:

The total future minimum lease payments under non-cancellable operating leases are as follows:

Amounts due:	2022 £'000	2021 £'000
Within one year	12,026	12,980
Between one and five years	30,019	27,406
Over five years	-	3,731
	<b>42,045</b>	<b>44,117</b>

The operating lease commitments relate to the Company's ski chalets, beachclub properties and IT equipment leases. Where applicable commitments in relation to food and beverage guarantees included within the lease contract have been included.

**19. RETIREMENT BENEFITS**

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to the statement of comprehensive income amounted to £159k (2021: £97k). The pension contributions payable to the fund as at 30 November 2022 were £60k (2021: £36k).

**20. CONTINGENT LIABILITIES, GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

The Company is party to a Group guarantee including fixed and floating charges on the assets of the Company as part of the Group's bank loans. This guarantee provides security over the value of the Group's total bank loans at 30 November 2022 of £8,005k (2021: £7,624k) including accrued interest.

There are also fixed and floating charges on the assets of the Company as part of the issued secured fixed rate loan notes due for repayment in 2025. This guarantee provides security over the value of the loan notes plus accrued interest.

The Company is also party to a deed of charge and reimbursement in favour of the Air Travel Trust, administered by the CAA.

The Company is included in a group registration for VAT purposes (which consists of Neilson Active Holidays Group Limited, Neilson Active Holidays Bidco Limited, Neilson Active Holidays Holdings Limited, Neilson Retail Limited and Neilson Tour Operations Limited) and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The debtor of the UK Group registration at 30 November 2022 totalled £258k (2021: £78k).

**21. ULTIMATE AND IMMEDIATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY**

Neilson Active Holidays (Holdings) Limited, a company incorporated in the United Kingdom, is the immediate parent. Neilson Active Holidays Group Limited is the smallest and largest group for which consolidated accounts including Neilson Active Holidays Limited are prepared. The consolidated accounts of Neilson Active Holidays Group Limited are available from its registered office Locksview, Brighton Marina, Brighton, East Sussex, BN2 5HA.

Neilson Active Holidays Group Limited is owned by a combination of shareholders, none of whom has a controlling interest in the share capital of the Company. Accordingly, the directors have determined that there was no ultimate controlling party.