Collinson International Limited

Annual report and financial statements

For the year ended 30 April 2021

Registered number: 02577557

Contents

Company Information

Directors and Officers

Directors	A Besant (resigned 30 November 2021) M Buckingham P Caris C J Evans D Evans M Hampton T Handcock S Pflaum S Pinches (resigned 30 June 2020) C Ross (appointed 1 November 2021) A Tonks
Company Secretary	S Hayward
Registered Office	Cutlers Exchange 123 Houndsditch London EC3A 7BU
Auditors	Ernst & Young LLP 1 More London Place London E14 5EY

Strategic Report

The directors present the strategic report for the year ended 30 April 2021.

Principal activities

The principal activity of the Company continues to be the intermediate holding company as part of The Collinson Group Limited (the Group). The activity of the underlying subsidiaries is divided into four main divisions; Travel Experiences, Loyalty, Airport Lounge Development and Insurance and Assistance and three main regions; EMEA, Americas and APAC.

In addition, the Company holds the intellectual property rights associated with the "Travel Experiences" business for which it charges a franchise fee for the use of the brand and related intellectual property.

Results and performance

The results of the Company for the year, as set out on page 14, show a pre-tax loss of £37.4m (2020: pre-tax profit of £9.9m), for the year and revenue of £17.9m (2020: £63.8m) resulting from the franchise fee. As a holding company, all other activity is undertaken by the underlying subsidiaries.

Strategy

The Company is an intermediate holding company. It is the Group's intention to maintain the Company as a holding company. The Company continues to maintain, protect and enhance the business of all its subsidiary companies, including the intellectual property rights associated with the Travel Experience businesses.

Business environment

The Covid-19 crisis has impacted the travel industry in ways that were perhaps unimaginable at the start of 2020 and as such, will have a direct impact in the level of revenues generated from franchise fees charged for the use of the Travel Experiences brand and related intellectual property. As of August 2021, we appear to have turned a corner and are seeing a promising return to travel although this varies significantly by region. Driven by domestic demand, markets like Russia, US and China are showing the fastest recovery, followed by promising growth in Europe. Many APAC markets still have some way to go and are looking like the last to recover. We do not envisage a full recovery until late 2023 or early 2024.

Looking at the wider Collinson Group, the crisis has given rise to new opportunities. Collinson have been at the forefront of Covid testing, opening on and off airport testing facilities. Lockdowns have seen a boom for loyalty and e-commerce, which our divisions and business have supported and exploited.

With the growth of affluent travellers post Covid-19 and new experiential demands, we expect to see both increased innovation and competition across the airport landscape. Whilst competition is always a challenge to be faced, overall increased investment in the airport experience is a strong indicator for a sustained recovery of the industry and a vote of long-term confidence in travel.

The other sectors in which Collinson operates have been less impacted by Covid-19 and continue to see growth opportunities.

Key performance indicators

There are no formal key performance indicators that are used or monitored however the Directors recognise the role of the Company in the Group and monitor the underlying performance of the investments and recoverability of receivables and their valuation in the balance sheet.

Strategic Report (Continued)

Principal risks and uncertainties
The Company has developed a process for identifying risks that divisions and the Company as a whole is exposed to via a robust Risk Management Framework. The process of risk identification, assessment and management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with Code of Conduct, regulation, legal and ethical standards is a high priority for management and the risk management function, The Board is responsible for satisfying itself that a proper internal control framework exists to monitor financial risks and that controls operate effectively.

The main financial risks to which the company is exposed include liquidity and cash flow risk. These risks are managed by ensuring sufficient liquidity is available to meet liabilities as they fall due and continued support from the Group. The Company participates as a member of centralised treasury and banking arrangements with fellow subsidiaries in the Group. Through these centralised treasury arrangements subsidiaries have access to intercompany support from fellow subsidiaries and an external borrowing facility.

The Covid-19 global pandemic which unfolded in the UK during March 2020 culminated in the cessation of all global travel resulting in an immediate suspension of activity for Travel Experiences and a reduction in activity in the other divisions. In response to the impact of Covid-19 the Company took measures to reduce costs including staff redundancies and furloughs for some employees and pausing non-essential project spend. Whilst FY21 has been a challenging year for the Group, management look forward to FY22 with a high level of optimism and confidence. The pandemic is slowly receding, travel is returning and the Group core business activity is more relevant than ever. With further funding secured to support growth and acquisitions, the Group is well positioned to grow in coming years. Further details on the secured funding can be found in Note 25.

Directors Statement of Compliance with duty to promote the success of the Company (S172 Statement)

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

– the likely consequences of its decisions in the long-term;

– the interests of the Company's employees;

– the need to foster the Company's business relationships with suppliers, customers and others;

– the impact of the Company's operations on the community and the environment;

– the desirability of the Company maintaining a reputation for high standards of business conduct; and

– the need to act fairly as between members of the Company.

Strategic Report (Continued)

Corporate Governance

The Company maintain a corporate governance framework of Board and Committees to operate strategic and management decision making. Terms of reference and levels of authority and escalation are clearly defined and a calendar of regular Board and Committee meetings are held. Information is provided to the Board in advance of the meeting and decisions and minutes are recorded.

The Board are committed to a robust culture of governance, conduct and ethics reflecting the values of the Company and the Group. Decisions are made considering the impact on the long-term business strategy and considering the impact to multiple stakeholders.

Our Stakeholders

(i) Employees

The Company does not employ any employees directly, other than some of the Executive Directors, rather employees are employed by Collinson entities within the Group to perform activities across the Group. Collinson operates a framework for employee engagement, development, information and consultation. Investment in communication platforms has increased the flow of communication across the business and enabled continued operations as the Group took the decision for all staff to work remotely during the Covid-19 pandemic.

Employee engagement and wellbeing is paramount to the success of the business. Collinson undertake a continuous employment engagement programme including performance, training and skills development. All employees are required to undergo fit and proper assessments to complete annual mandatory training programmes. We positively promote diversity in all areas of the business and support the health and wellbeing of all staff. We undertake regular 'pulse' surveys to provide meaningful feedback from employees across the business and can respond accordingly.

We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect. It is our policy to ensure that all employees are treated no less favourably on the grounds of disability and are not subject to unlawful discrimination. This policy applies to all aspects of employment including recruitment and selection processes, opportunities for training, development and promotion, and terms and conditions of employment. Through its policies, the company ensures that entry into, and progression within, the company is based solely on personal ability and competence to meet set job criteria. The company ensures that all our employment policies, practices and procedures are accessible for disabled people, providing reasonable adjustment where appropriate.

As a direct result of the Covid pandemic and the need to manage costs, we have continued to place some roles on the Government furlough scheme and equivalent employment support programmes across the regions we operate in. We have continued to consult with all staff on a regular basis maintaining open and transparent communications regarding the impact of Covid on the operations and performance of the business.

(ii) Suppliers and Outsourced arrangements

The company owns the intellectual property rights to the Priority Pass and related brands; it relies on its subsidiary Priority Pass Limited to maintain this intellectual property. The Company pays an annual fee to Priority Pass Limited for this.

Strategic Report (Continued)

(iii) Clients

As an intermediate holding company, clients are usually contracted, engaged and managed by the underlying subsidiaries. However long term and strong relationships with clients is key to the values and conduct of the Group. The Board of the Company play an active role in client engagement, understanding the changing needs of clients and providing innovative solutions and enhancements.

The Company has worked closely with its key clients with a particular focus on any impacts Covid-19 may have had on their business activities. This has helped the Company to inform the recovery profile and associated business planning where it has exposure to travel related business.

(iv) Customers

The Company has internal customers who make use of the Priority Pass and related intellectual property that the Company owns. The company receives a franchise fee from those Group companies who make use of this intellectual property.

(v) Regulators

Underlying subsidiaries in the Insurance division are regulated by the Financial Conduct Authority, Prudential Regulation Authority and Maltese Financial Services Authority. We have open and transparent relationships with the regulators and notify any relevant events through the proper channels.

(vi) Shareholders

The Company is owned by The Collinson Group Limited. Representation from The Collinson Group Limited on the Board is provided by David Evans, Christopher Evans (Joint Group CEOs) and Mark Hampton (Group CFO/COO). The Company operate Group values and operate business operations within Group objectives. The Company report to the Group on performance, business strategy and return on investment.

Principal Decisions

Introduction

The Company defines a principal decision as any decision of the Board that is material to the Company or is significant to any of its stakeholders. Thus, a key decision may include, but is not limited to:

- New business strategy or significant changes to existing strategy.
- Capital allocation decisions, including payments of dividends.
- Material corporate activity including acquisitions and disposals.
- Large-scale restructuring.
- Appointments to the Board.
- Decisions relating to major regulatory and or legal matters.

Strategic Report (Continued)

Principle decisions (continued)

Below is the Company's statement regarding how stakeholder considerations are considered in relation to a specific Board decision during FY21.

Directors are required to have regard to the impact of their decisions on the broader stakeholder community when performing their duty to promote the success of the company under section 172 of the Companies Act 2006.

Papers supporting key decisions are received ahead of time prompting challenge and debate on the merits of proposed actions by management in the best interests of the Company.

A specific example is set out here:

The Company decided to broaden the representation on the Board to better reflect the global nature of its operations. Accordingly, the Presidents for the APAC and Americas regions joined the Board. This has enriched the level of discussion and decision making at the Board ensuring decisions are taken in the best interests of our customers and other stakeholders around the world.

For example:

- When the Board is considering investment in new products and propositions, the varying needs of consumers around the world can be reflected in the decisions made
- When the Board looks at decisions relating to employees including remuneration or well-being, the needs of all our employees across the world can be considered.

Future outlook

The Company remains focused on continuing to ensure that its businesses maintain and grow their market positions; this will be delivered through increased focus on the end consumer, as well as providing clients with additional ways to benefit from our products and services.

The impact of Covid-19 to date has had an impact on profits for FY21. However, whilst FY21 has been a challenging year for the Group, management look forward to FY22 with a high level of optimism and confidence. The pandemic is slowly receding, travel is returning, and the Group's core business activity is more relevant than ever. We remain confident that the actions we have taken to date underpin our recovery strategy from these unprecedented times and support the Group in returning to a position of sustained revenue growth in the years ahead. The continued investment in the development of our people, assets and technology across the Group has been vital in driving the success of our business to date. With further funding secured to support growth and acquisitions, the Group is well positioned to grow in coming years.

Strategic Report (Continued)

Future outlook (continued)

Beyond Covid-19, the risks to UK economic growth remain significant and future prospects may be influenced by developments in the Eurozone and the process of Brexit. Management believes that the geographical spread of the subsidiary businesses of the Company will effectively counter the most significant risk of Brexit.

This report was approved by the Board on 14 December 2021 and signed on its behalf by:

M Hampton
Director

Cutlers Exchange
123 Houndsditch
London
EC3A 7BU

Directors' Report

The directors present their report and audited financial statements for the year ended 30 April 2021.

Future developments

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

Engagement with Stakeholders

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

Streamlined Energy and Carbon Reporting

Collinson International Limited is exempted from the SECR disclosure requirements under Paragraph 20A of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Going Concern

The financial statements for Collinson International Limited have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council ('FRC'). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. In making the going concern assessment, the Directors have considered the Company's current and future financial performance, forecasted cash flow and liquidity requirements based on operational business plans and forecasts for the going concern assessment period and extending through to 31 January 2023, a period of 13 months from the date of signing the financial statements. The Company participates as a member of centralised treasury and banking arrangements with fellow subsidiaries in The Collinson Group (the "Group"). Through these centralised treasury arrangements subsidiaries have access to intercompany support from fellow subsidiaries and external borrowing from a 5-year financing arrangement signed on 2 July 2021. This financing arrangement comprises two facilities, a £60m Term Loan and an Acquisition Facility of up to £50m that is available to draw on until 1 July 2024. Upon signing, the Group drew down £50m of the £60m Term Loan, as required by the terms of the arrangement. This financing will be used to support the general corporate and working capital needs of the Group. In addition, the Group drew down £3m from the Acquisition Facility to fund a number of near-term strategic investments. Both facilities mature on 1 July 2026. The financing agreement includes covenants for minimum liquidity which is assessed monthly from July 2021 and leverage which is assessed quarterly from October 2022.

During the year ended 30 April 2021, the Company incurred a loss of £32.9m and as of that date, had net assets of £27.7m and net current assets of £27.8m. As a result of the centralised treasury arrangements the Company is reliant on financial support from its parent ,The Collinson Group Limited, to meet its obligations as they fall due.

Given this the Directors have also considered the ability of the Group to continue as a going concern. Despite recent signs of recovery in the travel sector there continues to be considerable uncertainty around the ongoing impact of Covid-19. The Directors consider the most significant uncertainties which would impact the Group to be the slower than anticipated recovery of the global airline travel industry, whether caused by regional lockdowns, slower than expected global vaccination roll-out or by the discovery of a new vaccine resistant variant. In order to assess the Group's ability to remain as a going concern, the Directors of the Group considered the impact of these risks on the Group's ability to meet its obligations and maintain compliance with its financial covenants associated with the financing arrangement under a base case scenario, which reflects the current outlook of the global economic recovery, and a severe downside scenario that assumes a significantly lower level of growth and a more prolonged recovery period compared to the base case. In the base case scenario the Group forecasts a significant level of headroom on the minimum liquidity and leverage covenants through to January 2023. In the severe downside scenario the revised assumptions would reduce cash receipts and whilst the Group would retain sufficient liquid resources to continue to support the business and maintain compliance with the minimum liquidity covenants, it would potentially breach leverage covenants in October 2022 and January 2023

Directors' Report (Continued)

prior to any mitigating actions. If such a severe downside were to materialise the Directors of the Group have identified multiple realistic management actions that could be used to mitigate the impact, which are entirely within Group management's control and can be put into place at speed. With the first potential breach under the severe scenario occurring in October 2022 this allows the Directors of the Group adequate time to take the appropriate mitigating actions should a downturn in travel occur and they therefore believe the actions identified would enable the Group to remedy any potential breaches and provide the Group with sufficient liquidity and headroom over the financial covenants to continue to operate throughout the going concern period. Based on the above the Directors of the Group have a reasonable expectation that the Group will continue in operation and be able to meet its commitments as they fall due throughout the going concern period.

Accordingly, as the Company has obtained a letter of support from its parent the Directors have concluded that based on the assessments of the Company performed together with the confidence the Directors have in the Group's forecasts and ability to continue as a going concern that there is a reasonable expectation that the Company will continue in operation and be able to meet its commitments as they fall due throughout the going concern period. As such the Directors have continued to adopt the going concern basis in preparing these financial statements.

Dividends
During the year, the directors declared a cash dividend of £50k to its parent company The Collinson Group Limited (2020: £3,100k). The directors did not declare a dividend in specie to the parent company The Collinson Group this year (2020: £nil).

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

Insurance of directors and officers

The directors and officers of the Company are covered under a D&O liability policy covering the entire Group. These insurance policies were in force at 30 April 2021 and on the day the Directors' report was approved.

Financial instruments
The Company's principal financial instruments comprise cash, receivables and payables arising in the normal course of business. The main financial risks to which the Company is exposed include liquidity and cash flow risk. These risks are managed by ensuring sufficient liquidity is available to meet liabilities as they fall due.

Disclosure of information to auditor
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
Ernst & Young LLP is deemed reappointed under section 487(2) of the Companies Act 2006.

Post balance sheet events
On 2 July 2021 The Collinson Group Limited signed a new 5-year financing arrangement in support of its medium and long-term financing requirements. The agreement is secured by a registered charge which provides for fixed and floating charges over certain Group companies. One of the conditions of the Facility agreement requires a Group reconstruction by establishing a new UK parent company, Parminder Investments Limited

Directors' Report (Continued)

Post balance sheet events (Continued)

(Company number 13453712). There is no change to the intermediate parent undertaking of the Company or to the ultimate parent undertaking of the Company. Another condition was that the Company also had to sell the Insurance Group to The Collinson Group in order to secure the lenders securitisations by removing the regulated business from the Company. The sale consideration received was equal to the carrying value of the investment. This Group reconstruction was completed in September 2021.

In January 2021 the Board issued a letter of undertaking from The Collinson Group Limited (TCG) to the Directors of subsidiary undertakings to provide assurance that amounts owed between fellow subsidiary undertakings would be recoverable. The letter codified the long standing practice that TCG would ensure amounts owed between subsidiary companies were repaid when called upon and TCG would provide the resources to enable this where required. The TCG Board also approved a detailed project to review and optimise the capital structure of subsidiary undertakings globally which commenced during 2021. As part of this project the Company received a £70million dividend payment from Priority Travel Group Holdings Limited in order to increase the Company's distributable reserves. The project is expected to be completed during FY22 and could result in a change to the carrying value of certain assets but is not expected to have material impact on the total net assets of the Company. The Directors of relevant subsidiary companies are engaged throughout the process and decisions made are with the approval of each relevant Board.

This report was approved by the board on 14 December 2021.

MRHampton

M Hampton
Director

Cutlers Exchange
123 Houndsditch
London
EC3A 7BU

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not 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 Company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's report to the members of Collinson International Limited

Opinion

We have audited the financial statements of Collinson International Limited for the year ended 30 April 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 25, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 January 2023, being 13 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditor's report to the members of Collinson International Limited (continued)

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 11, 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.

Independent auditor's report to the members of Collinson International Limited (continued)

Responsibilities of directors (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employment, data protection, anti-bribery and corruption.

- We understood how Collinson International Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We determined whether there were deficiencies within the Company's control environment, including entity level controls such as those relating to ethical behaviour and fraud prevention and deterrence, through observations during our audit procedures. We corroborated our enquiries through our review of Board minutes, correspondence with tax and other regulatory authorities, significant contracts and agreements impacting the Company in the financial year and noted that there was no contradictory evidence.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of stakeholders. Additionally, we used our knowledge and prior experience of the business to determine areas where fraud is more likely to occur, including consideration of areas of judgment and estimation. Through these procedures we determined there to be a risk of management override related to intercompany revenue recognition. In order to address the risk, we designed and performed audit procedure to ensure that revenue was recognised in line with contractual terms of services provided and included in the correct accounting period. We tested specific transactions back to source documentation and ensuring appropriate authorisation of the transactions.

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

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

Use of our report

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

Ernst & Young LLP

Spelá Stefanov (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London 15.12.2021

Statement of Comprehensive Income

For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Revenue	5	**17,896**	63,826
Cost of Sales		**(25,863)**	(21,930)
Gross (loss)/ profit		**(7,966)**	41,896
Administrative expenses		**(47,177)**	(20,825)
Investments impairment reversal/ (impairment)	14	**8,119**	(8,119)
Foreign exchange gains/ (losses)		**10,141**	(3,270)
Operating (loss)/ profit		**(36,883)**	9,682
Profit on disposal of fixed assets		**-**	17
Interest receivable and similar income	8	**30**	161
Interest payable and similar charges	9	**(549)**	(1)
(Loss)/ Profit on ordinary activities before taxation	10	**(37,402)**	9,859
Taxation	11	**4,631**	(3,575)
(Loss)/ Profit for the year		**(32,771)**	6,284
Other comprehensive income		**-**	-
Total comprehensive (loss)/ income		**(32,771)**	6,284

The notes on pages 19 to 37 are an integral part of these financial statements.

Statement of Financial Position

As at 30 April 2021

Registered number: 02577557

	Note	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	13	**178**	258
Investments in subsidiary undertakings	14	**42,062**	33,943
		42,240	34,201
Current assets			
Trade and other receivables	15	**67,783**	58,072
Cash and cash equivalents		**93**	72
		67,876	58,144
Current liabilities			
Trade and other payables	16	**(82,251)**	(31,602)
		(82,251)	(31,602)
Net current assets		**(14,375)**	26,542
Total assets less current liabilities		**27,865**	60,743
Non-current liabilities			
Other non-current liabilities	16	**(58)**	(115)
Net assets		**27,807**	60,628
Capital and reserves			
Share capital	18	**100**	100
Other reserves	19	**(245)**	(245)
Retained earnings		**27,952**	60,773
Total equity		**27,807**	60,628

The notes on pages 19 to 37 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 14 December 2021 and were signed on its behalf by:

M Hampton
Director

Statement of Changes in Equity

For the year ended 30 April 2021

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 30 April 2019	100	(245)	57,589	57,444
Profit for the year	-	-	6,284	6,284
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	6,284	6,284
Dividends paid (see Note 12)	-	-	(3,100)	(3,100)
At 30 April 2020	**100**	**(245)**	**60,773**	**60,628**
Loss for the year	-	-	(32,771)	(32,771)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(32,772)	(32,772)
Dividends paid (see Note 12)	-	-	(50)	(50)
At 30 April 2021	**100**	**(245)**	**27,952**	**27,807**

The notes on pages 19 to 37 are an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 30 April 2021

1 Accounting policies

Collinson International Limited ('the Company') is a private company limited by shares and incorporated in the United Kingdom. The address of its registered office and principal place of business is Cutlers Exchange, 123 Houndsditch, London, EC3A 7BU.

The principal activity of the Company is that of an intermediate holding company. In addition, the Company owns and maintains the intellectual property rights associated with the Travel Experiences businesses for which it charges subsidiary undertakings a franchise fee for use of the brand.

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

2 Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical costs convention.

FRS 102 allows a qualifying entity certain disclosure exemption's, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company is included in the consolidated financial statements of its parent undertaking, The Collinson Group Limited. Note 24 provides details of where those consolidated statements may be obtained from.

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

I. from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows';

II. from disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7; and

III. from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by FRS 102 paragraph 4.12.

IV. the Company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose related party transactions with other wholly owned group companies.

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

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

3 Accounting policies

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

3.1 Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The financial statements have been presented in sterling and rounded to the nearest thousand.

Notes to the Company Financial Statements

For the year ended 30 April 2021

3 Accounting policies (continued)

3.2 Going concern

The financial statements for Collinson International Limited have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council ('FRC'). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. In making the going concern assessment, the Directors have considered the Company's current and future financial performance, forecasted cash flow and liquidity requirements based on operational business plans and forecasts for the going concern assessment period and extending through to 31 January 2023, a period of 13 months from the date of signing the financial statements. The Company participates as a member of centralised treasury and banking arrangements with fellow subsidiaries in The Collinson Group (the "Group"). Through these centralised treasury arrangements subsidiaries have access to intercompany support from fellow subsidiaries and external borrowing from a 5-year financing arrangement signed on 2 July 2021. This financing arrangement comprises two facilities, a £60m Term Loan and an Acquisition Facility of up to £50m that is available to draw on until 1 July 2024. Upon signing, the Group drew down £50m of the £60m Term Loan, as required by the terms of the arrangement. This financing will be used to support the general corporate and working capital needs of the Group. In addition, the Group drew down £3m from the Acquisition Facility to fund a number of near-term strategic investments. Both facilities mature on 1 July 2026. The financing agreement includes covenants for minimum liquidity which is assessed monthly from July 2021 and leverage which is assessed quarterly from October 2022.

During the year ended 30 April 2021, the Company incurred a loss of £32.9m and as of that date, had net assets of £27,7m and net current assets of £27.8m. As a result of the centralised treasury arrangements the Company is reliant on financial support from its parent, The Collinson Group Limited, to meet its obligations as they fall due.

Given this the Directors have also considered the ability of the Group to continue as a going concern. Despite recent signs of recovery in the travel sector there continues to be considerable uncertainty around the ongoing impact of Covid-19. The Directors consider the most significant uncertainties which would impact the Group to be the slower than anticipated recovery of the global airline travel industry, whether caused by regional lockdowns, slower than expected global vaccination roll-out or by the discovery of a new vaccine resistant variant. In order to assess the Group's ability to remain as a going concern, the Directors of the Group considered the impact of these risks on the Group's ability to meet its obligations and maintain compliance with its financial covenants associated with the financing arrangement under a base case scenario, which reflects the current outlook of the global economic recovery, and a severe downside scenario that assumes a significantly lower level of growth and a more prolonged recovery period compared to the base case. In the base case scenario the Group forecasts a significant level of headroom on the minimum liquidity and leverage covenants through to January 2023. In the severe downside scenario the revised assumptions would reduce cash receipts and whilst the Group would retain sufficient liquid resources to continue to support the business and maintain compliance with the minimum liquidity covenants, it would potentially breach leverage covenants in October 2022 and January 2023 prior to any mitigating actions. If such a severe downside were to materialise the Directors of the Group have identified multiple realistic management actions that could be used to mitigate the impact, which are entirely within Group management's control and can be put into place at speed. With the first potential breach under the severe scenario occurring in October 2022 this allows the Directors of the Group adequate time to take the appropriate mitigating actions should a downturn in travel occur and they therefore believe the actions identified would enable the Group to remedy any potential breaches and provide the Group with sufficient liquidity and headroom over the financial covenants to continue to operate throughout the going concern period. Based on the

Notes to the Company Financial Statements

For the year ended 30 April 2021

3 **Accounting policies (continued)**

3.2 Going concern (continued)

above the Directors of the Group have a reasonable expectation that the Group will continue in operation and be able to meet its commitments as they fall due throughout the going concern period.

Accordingly, as the Company has obtained a letter of support from its parent the Directors have concluded that based on the assessments of the Company performed together with the confidence the Directors have in the Group's forecasts and ability to continue as a going concern that there is a reasonable expectation that the Company will continue in operation and be able to meet its commitments as they fall due throughout the going concern period. As such the Directors have continued to adopt the going concern basis in preparing these financial statements.

3.3 Foreign currencies

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

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

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

3.4 Revenue recognition

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

Dividend income is recognised when the Company's right to receive payment is established.

3.5 Interest receivable and interest payable

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

3.6 Taxation

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

Deferred taxation is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more taxation in the future or a right to pay less

Notes to the Company Financial Statements

For the year ended 30 April 2021

3 Accounting policies (continued)

3.6 Taxation (continued)

taxation in the future give rise to a deferred taxation liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion

of income and expenses in taxable assessments in years different from those in which they are recognised in the financial statements.

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

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

3.7 Property, plant and equipment

Property, plant and equipment are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to administrative expenses in profit or loss, so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life using a straight-line basis as follows:

Furniture, Fittings and Equipment	5 years
Motor Vehicles	4 years

Property, plant and equipment are tested for impairment where indication of impairment exists at the reporting date.

3.8 Leases

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

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

3.9 Impairment of non-financial assets

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

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

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss in administrative expenses. An impairment loss recognised for all assets is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply.

Notes to the Company Financial Statements

For the year ended 30 April 2021

3 Accounting policies (continued)

3.10 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash and cash equivalents, trade and other receivables, trade and other payables and bank overdrafts; and non-basic financial instruments which comprise derivative instruments. The Company has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' in full.

Financial assets – classified as basic financial instruments

(i) Investments

Investments in subsidiary companies are valued at cost unless the investment has suffered impairment in value in which case they are written down to their recoverable amount.

(ii) Cash and cash equivalents

Cash and cash equivalents only include cash in hand and deposits held with banks.

(iii) Trade and other receivables

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

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

Financial liabilities – classified as basic financial instruments

(i) Trade and other payables

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

Loans with fellow subsidiaries that are not at a market rate of interest are initially recognised at its present value. The difference between the face value of the loan and its present value is treated as a capital distribution within other reserves.

3.11 Retirement benefits

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

Notes to the Company Financial Statements

For the year ended 30 April 2021

4 Critical accounting judgments and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectively involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The Directors consider that there is no material adverse impact on the Company's assets or liabilities or other estimates and assumptions due to Covid-19.

4.1 Critical judgements in applying the Company's accounting policies

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

(i) Assessing indicators of impairment

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease. In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings, experience of recoverability and the impact of Covid-19. There have been no indicators of impairments identified during the current financial year.

(ii) Going Concern

Determining that the going concern basis is appropriate is an area of judgement and given the continued uncertainty associated with the Covid-19 pandemic there is an increased level of uncertainty around this judgement. In determining that it was appropriate to prepare the financial statements on a going concern basis the Directors have assessed the performance of the Company and of the parent providing a letter of support as set out in note 3.2. Based on these assessments management have determined it is appropriate to prepare the financial statements on a going concern basis.

4.2 Key sources of estimation uncertainty

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

(i) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers. The Directors consider that there is no material adverse impact on the Company's receivables due to Covid-19.

Notes to the Company Financial Statements

For the year ended 30 April 2021

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

4.2 Key sources of estimation uncertainty (continued)

(ii) Estimation of useful life

The useful life over which property, plant and equipment are depreciated or amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. Reducing the useful life will increase the depreciation or amortisation charge in the consolidated income statement. Useful lives are periodically reviewed to ensure that they remain appropriate.

(iii) Deferred Tax

Deferred tax assets can arise due to net loss carry overs, which are only recorded as assets if it is deemed more likely than not that the asset will be used in future fiscal periods. The Directors consider that there is no risk of not utilising the Company's deferred tax asset due to Covid-19. The carrying amount of the asset is £711k (2020: £1,087k).

5 Revenue

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

Franchise fees	**2021** **£'000**	2020 £'000
United Kingdom	**11,485**	27,807
North and South America	**5,096**	29,988
Asia including Middle East	**1,315**	6,031
	17,896	63,826

6 Staff costs

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

	2021	2020
Administration	**7**	8

Their aggregate remuneration comprised:

	2021 **£'000**	2020 £'000
Wages and salaries	**2,443**	2,215
Social security costs	**336**	350
Other pension costs	**39**	65
	2,818	2,630

Total remuneration includes amounts that are recharged to other group companies.

Notes to the Company Financial Statements

For the year ended 30 April 2021

7 Directors' remuneration

The Directors do not receive any remuneration specifically for their services as Directors of the Company as certain directors are also directors of other companies within The Collinson Group. The Group considers it impractical to apportion directors' remuneration among the Group companies

8 Interest receivable and similar income

	2021 £'000	2020 £'000
Group interest receivable and similar income	30	161
	30	161

9 Interest payable and similar charges

	2021 £'000	2020 £'000
Interest payable on other loans	(549)	(1)
	(549)	(1)

10 (Loss)/ Profit on ordinary activities before taxation

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

	2021 £'000	2020 £'000
Depreciation of property, plant and equipment	20	2
Impairment reversal	(8,119)	-
Impairment loss on investments		8,119
Foreign exchange (gain)/ loss	11,338	(3,105)
Auditors' remuneration	138	130

Notes to the Company Financial Statements

For the year ended 30 April 2021

11 Taxation on profit on ordinary activities

The taxation charge comprises:

	2021 £'000	2020 £'000
Current taxation on profit on ordinary activities		
UK corporation taxation	**(5,003)**	3,753
Adjustment in respect of prior years	**92**	205
Total current taxation	**(5,003)**	3,958
Deferred taxation		
Origination and reversal of timing differences	**372**	(301)
Adjustments in respect of prior years	**-**	(82)
Total deferred taxation	**372**	(383)
Total taxation on profit on ordinary activities	**(4,631)**	3,575
Total tax income/(expense) included in other comprehensive income	**-**	-

Taxation on profit on ordinary activities for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation	**37,402**	9,859
Income tax calculated at 19 % (2020: 19%)	**(7,106)**	1,873
Expenses not deductible for tax purposes	**1,770**	2,061
Capital allowances in excess of depreciation	**(12)**	-
Income not subject to tax	**(1,543)**	(3)
Adjustment in respect of prior years	**-**	123
Impact of tax rate changes	**-**	(133)
Deferred tax not recognised	**2,260**	(346)
Adjustment not in income statement	**-**	-
Taxation expense for year	**(4,531)**	3,575

The Company has surrendered the benefit of tax losses from other group companies for a consideration of £25,351k (2020: £3,399k) and carried back losses of £957k to set against the Company's prior year tax liability.

The Company has losses carried forward of £11,916k (2020: £nil) against which no deferred tax asset has been recognised.

Factors affecting the tax charge

The Chancellor has confirmed an increase in the corporation tax (CT) rate from 19 to 25 percent with effect from 1 April 2023. This was substantively enacted on 24 May 2021.

As it has not been substantively enacted at the balance sheet date, no remeasurement of existing deferred tax assets and liabilities is required for the FY21 balance sheets. The impact on next year's financial statement is £109,137.

Notes to the Company Financial Statements

For the year ended 30 April 2021

12 Dividends payable

Amounts recognised as distributions to equity holders in the year:

	2021	2020
	£'000	£'000
Dividends in specie	-	-
Dividends paid	50	3,100
	50	3,100

13 Property, plant and equipment

	Motor Vehicle	**Fixtures, fittings and equipment**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At beginning of year	81	299	380
Additions	-	-	-
At end of year	**81**	**299**	**380**
Depreciation			
At beginning of year	(2)	(120)	(122)
Depreciation charge	(20)	(60)	(80)
At end of year	**(22)**	**(180)**	**(202)**
Net book value			
At 30 April 2021	**59**	**119**	**178**
At 30 April 2020	79	179	258

The net carrying amount of assets held under finance leases included in fixtures, fittings and equipment is £115k (2020: £175k).

Notes to the Company Financial Statements

For the year ended 30 April 2021

14 Investments in subsidiary undertakings

	2021	2020
	£'000	£'000
Cost		
At beginning of year	42,112	42,760
Disposals	-	(648)
Impairments	-	-
At end of year	**42,112**	42,112
Accumulated Impairment		
At beginning of year	(8,169)	(698)
Disposals		648
Impairments	8,119	(8,119)
At end of year	**(50)**	(8,169)
Net book value		
At 30 April 2021	**42,062**	-
At 30 April 2020	-	33,943

Impairments:

The Company has conducted a review of the carrying value of its investment in subsidiary undertakings to determine whether there was any indication that those assets have suffered an impairment loss. As part of this review in the previous financial year it was noted that there were indicators of impairment in the Company's investment in Collinson Finance Limited (CFL) which acts as the internal treasury company for the Collinson Group. The primary indicator of impairment was the unrealised foreign exchange losses accumulated based on loans and borrowings with fellow subsidiary undertakings as a result of negative impacts in FX rates, predominantly USD and HKD. The Company has undertaken a detailed review of these non-functional currency assets and liabilities with the aim of restructuring them in a manner and timing that will avoid or minimise the realisation of such losses as much as possible. In the previous financial year, for prudence purposes the Company had provided for its investment in CFL in full, however the negative impacts from FX movements are no longer present in the current year which supports the reversal of the impairment.

Notes to the Company Financial Statements

For the year ended 30 April 2021

14 Investments in subsidiary undertakings (continued)

The Company has direct investments in the following subsidiary undertakings:

Name	Country of incorporation	Class of shares held	Percentage of equity shares and voting rights held %	Registered Address
Priority Travel Group (Holdings) Limited	United Kingdom	Ordinary	100	1
ICLP Worldwide Limited	United Kingdom	Ordinary	100	1
Bienvenue Financiere SAS	France	Ordinary	100	11
Collinson Group South Africa (Pty) Ltd	South Africa	Ordinary	100	14
Collinson Insurance (Holdings) Limited	United Kingdom	Ordinary	100	1
The Collinson Group (IT) Limited	United Kingdom	Ordinary	100	1
The Collinson Group (Overseas Holdings) Limited	United Kingdom	Ordinary	100	1
Collinson (Central Services) Ltd	United Kingdom	Ordinary	100	1
Collinson Finance Limited	United Kingdom	Ordinary	100	1

The Company has indirect investments in the following subsidiary undertakings:

Name	Country of incorporation	Class of shares held	Percentage of equity shares and voting rights held %	Registered address
Investment Companies				
Astrenska Insurance Holdings Limited	United Kingdom	Ordinary	100	1
Collinson Group (Trademarks) Limited	Malta	Ordinary	100	6
Collinson Holdings Europe Limited	Malta	Ordinary	100	6
Collinson Insurance Group Limited	United Kingdom	Ordinary	100	1
IAPA (Holdings) Limited	United Kingdom	Ordinary	100	1
International Customer Loyalty Programmes (Holdings) Limited	United Kingdom	Ordinary	100	1
International Customer Loyalty Programmes (Overseas Holdings) Limited	United Kingdom	Ordinary	100	1
Talon Services Limited (see note 1)	Guernsey	Ordinary	100	20
The Collinson Group (Asia) Pte Limited	Singapore	Ordinary	100	10
The Collinson Group Australia Pty Limited	Australia	Ordinary	100	7
The Collinson Group (USA) Limited	USA	Ordinary	100	2

Notes to the Company Financial Statements

For the year ended 30 April 2021

14 Investments in subsidiary undertakings (continued)

Travel and membership services				
Collinson Holdings (Hong Kong) Limited	Hong Kong	Ordinary	100	3
Collinson Inspur Limited	Hong Kong	Ordinary	100	3
Collinson Peru S.A.C.	Peru	Ordinary	100	26
Collinson Services India LLP	India	Ordinary	100	8
Frequent Flyer Club Inc.	USA	Ordinary	100	2
Frequent Flyer Club of America Inc.	USA	Ordinary	100	9
IAPA (Global) Limited	Gibraltar	Ordinary	100	5
IAPA (Travel Services) Inc.	USA	Ordinary	100	2
IAPA (Services EAME) Limited	United Kingdom	Ordinary	100	1
IAPA Limited	Gibraltar	Ordinary	100	5
International Airline Passengers Association (EAME) Limited	United Kingdom	Ordinary	100	1
International Airline Passengers Association (Far East) Limited	Hong Kong	Ordinary	100	3
International Airline Passengers Association (Group Publications) Limited	United Kingdom	Ordinary	100	1
Lounge Access Inc. (see note 2)	USA	Ordinary	100	24
Lounge Access Limited (see note 3)	United Kingdom	Ordinary	100	1
Lounge Gateway Limited	United Kingdom	Ordinary	100	1
Lounge Key AP Limited	Hong Kong	Ordinary	100	3
Lounge Key Inc.	USA	Ordinary	100	2
Lounge Key Limited	United Kingdom	Ordinary	100	1
Priority Collection Limited (see note 4)	United Kingdom	Ordinary	100	1
Priority Pass (AP) Limited	Hong Kong	Ordinary	100	3
Priority Pass (Asia) Pte Limited	Singapore	Ordinary	100	10
Priority Pass Inc.	USA	Ordinary	100	2
Priority Pass Limited	United Kingdom	Ordinary	100	1
Priority Travel Group (USA) Ltd.	USA	Ordinary	100	15
The Executive Club International Limited	United Kingdom	Ordinary	100	1
Insurance and assistance services				
Aero24 (Pty) Limited	South Africa	Ordinary	100	18
Aero24 Inc. (see note 5)	USA	Ordinary	100	2
Astrenska Insurance Limited	United Kingdom	Ordinary	100	1
Astrenska Pty Limited	Australia	Ordinary	100	7
Collinson Assistance Services Limited	United Kingdom	Ordinary	100	1
Collinson Assistance Services, Inc.	USA	Ordinary	100	15
Collinson Drum Cussac Limited	United Kingdom	Ordinary	50	1
Collinson IG (Management) Limited	United Kingdom	Ordinary	100	1
Collinson Insurance Brokers Inc.	USA	Ordinary	100	2
Collinson Insurance Brokers Limited	United Kingdom	Ordinary	100	1
Collinson Insurance Europe Limited	Malta	Ordinary	100	6
Collinson Insurance Services Limited	United Kingdom	Ordinary	100	1
Collinson Insurance Solutions Europe Limited	Malta	Ordinary	100	6
Collinson Service Solutions Limited	United Kingdom	Ordinary	100	1
Columbus Direct Limited (see note 7)	Hong Kong	Ordinary	100	16

Notes to the Company Financial Statements

For the year ended 30 April 2021

14 Investments in subsidiary undertakings (continued)

Insurance and assistance services (continued)

Columbus Direct Travel Insurance Pty Limited	Australia	Ordinary	100	7
Columbus Insurance Services Limited	United Kingdom	Ordinary	100	1
CCS Consumer and Communication Services Gmbh	Germany	Ordinary	100	23
Global Claims Services Limited	United Kingdom	Ordinary	100	25
Intana Global Limited	United Kingdom	Ordinary	100	1
Mediquote Limited	United Kingdom	Ordinary	100	1
Preferential Direct Limited	United Kingdom	Ordinary	100	1
PTI Company Limited	Gibraltar	Ordinary	100	19

Loyalty, marketing and related services

Collinson (ASPAC) Pte. Ltd	Singapore	Ordinary	100	4
Collinson CLO Inc.	USA	Ordinary	100	15
Collinson Consultoria Em Fidelização Ltda	Brazil	Ordinary	100	13
Collinson Do Brasil Desenvolvimento De Softwares E Serviços Ltda	Brazil	Ordinary	100	12
Collinson Group Pty Ltd	Australia	Ordinary	100	7
Collinson Inc.	USA	Ordinary	100	2
Collinson International (Hong Kong) Limited	Hong Kong	Ordinary	100	22
Collinson (Japan) K.K.	Japan	Ordinary	100	17
Collinson Latitude (AP) Limited	Hong Kong	Ordinary	100	16
Valuedynamx Ltd (formerly Collinson (Latitude) Limited)	United Kingdom	Ordinary	100	1
Collinson Loyalty & Benefits Pvt Ltd	India	Ordinary	100	8
Collinson (Product Innovation) Limited	United Kingdom	Ordinary	100	1
Collinson (Singapore) Pte Ltd	Singapore	Ordinary	100	4
Collinson (Shanghai) Co. Ltd	China	Ordinary	100	21
Collinson SAS	France	Ordinary	100	11
Collinson Technology Services Limited	United Kingdom	Ordinary	100	25
Collinson (USA) Inc.	USA	Ordinary	100	2
International Customer Loyalty Programmes Limited	Switzerland	Ordinary	100	1
International Customer Loyalty Programmes Plc	United Kingdom	Ordinary	99	1
Partnership Marketing Agency Limited	United Kingdom	Ordinary	100	1
Partnership Marketing Agency Limited (HK)	Hong Kong	Ordinary	100	16
Valuedynamx Pty Limited	Australia	Ordinary	100	7
Valuedynamx Holdings Limited	United Kingdom	Ordinary	100	1
Vivid Lime Limited	United Kingdom	Ordinary	100	1
Worldwide Travel Concierge Limited	United Kingdom	Ordinary	100	25

Note 1 - Talon Services Limited was liquidated on 19th January 2021.
Note 2 - Lounge Access Inc went into dissolution on 6th November 2020.
Note 3 - Lounge Access Limited was dissolved on 30th July 2020.
Note 4 - Priority Collection Ltd was dissolved on 30th July 2020.
Note 6 - Aero 24 Inc went into dissolution on 6th November 2020.
Note 7 - Columbus Direct was deregistered on 12th June 2020.

Notes to the Company Financial Statements

For the year ended 30 April 2021

14 Investments in subsidiary undertakings (continued)

Number	*Registered address*
1	*Cutlers Exchange, 123 Houndsditch, London EC3A 7BU, United Kingdom*
2	5217 Tennyson Parkway, Suite 100%, Plano TX 75024, United States
3	16th Floor, Taikoo Place, Oxford House, 979 King's Road, Quarry Bay, Hong Kong
4	152 Beach Road, #20-01/04 Gateway East, 189721, Singapore
5	19A TOWN RANGE, PO BOX 872, GX111AA, Gibraltar
6	Third Floor, Development House, St. Anne Street, Floriana FRN 9010, Malta
7	Level 13/124 Walker Street, North Sydney NSW 2060, Australia
8	501-505, Ascot Centre, Next to Hotel Hilton Sahar Road, Andheri (E) Mumbai MH, 400099, India
9	5204 Tennyson Parkway, Suite 500, Plano, Texas, 75024, United States of America
10	150 Cecil Street, #14-01, 069543, Singapore
11	85 Rue Pierre Duhem, 13290 Aix-en-Provence, France
12	Av Brigadeiro Luis Antonio, 2050, Andar 15 Sala 10, Bela Vista, Sao Paulo, CEP 01318-002, Brazil
13	Avenida Angelica, 2447 1st Floor, Rooms 11-16, Sao Paulo, Consolacao, 01227-200, Brazil
14	Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441
15	The Corporation Trust Center, 1209 North Orange Street, Wilmington, Delaware, 19801, United States
16	Level 12, 28 Hennessy, Road, Wanchai, Hong Kong
17	Watanade Building, 5th Floor, 2-20-13, Akasaka Minato-Ku, Tokyo, 107-0052, Japan
18	Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441, Cape Town, South Africa
19	Montagu Pavilion Building, 8-10 Queensway, Gibraltar

Notes to the Company Financial Statements

For the year ended 30 April 2021

14 Investments in subsidiary undertakings (continued)

Number	Registered address
20	PO Box 321 Royal Bank Place 1 Glategny Esplanade St Peter Port, GY1 4ND, Guernsey
21	Suite 925, 706 Huashan Rd, Pudong Xinqu, Shanghai Shi, 201208, China
22	Suites 1209-1214 Cityplaza One, 1111 King's Rd, Quarry Bay, Hong Kong
23	Ritterlingstr.1, 65719 Hofheim am Taunus, Germany
24	400 County Road 143, Burnet Texas, 78611, United
25	Mazars Llp Tower Bridge House, St Katherines Way, London, E1W 1DD
26	456 Av. Camino Real, Urb: Centro Comercial, Camina Real, San Isidro, Lima

15 Trade and other receivables

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	**64,764**	54,119
Other receivables	**128**	154
Prepayments and accrued income	**111**	666
Corporation tax	**2,065**	2,046
Deferred tax (see note 17)	**715**	1,087
	67,783	58,072

Amounts owed by group undertakings are unsecured and have no fixed date of repayment and are repayable on demand.

16 Trade and other payables

	2021	2020
	£'000	£'000
Due within one year		
Trade payables	**1**	330
Amounts owing to group undertakings	**75,412**	20,789
Other payables	**161**	6
Finance leases	**57**	56
Social security and other taxes	**82**	75
Accruals and deferred income	**6,538**	10,346
	82,251	31,602
Due after one year		
Finance leases	**58**	115
	58	115

Notes to the Company Financial Statements

For the year ended 30 April 2021

16 Trade and other payables (continued)

Amounts owed to group undertakings are unsecured and have no fixed date of repayment and are repayable on demand.

	2021 £'000	2020 £'000
Finance Leases		
Not later than one year	**57**	56
Later than one year and not later than five years	**58**	115
Later than five years		-
Total gross payments	**115**	171
Less: finance charges		-
Carrying amount of the liability	**115**	171

The finance lease relates to fixtures, fittings and equipment. The remaining lease term is 2 years, at the end of which the Company will own the assets.

17 Deferred taxation

	Capital allowances £'000	Provisions £'000	Total £'000
At beginning of year	(16)	1,103	1,087
Charged in year	15	(387)	(372)
Prior year adjustment	-	-	-
Change in tax rate	-	-	-
At end of year	**(1)**	**716**	**715**
Comprising of:			
Provisions	-	716	716
Capital allowances	(1)	-	(1)
	(11)	**716**	**715**

The company expects deferred tax assets of £178k to reverse in FY21.

18 Share capital

	2021 £'000	2020 £'000
Allotted, called-up and fully paid		
100,000 Ordinary shares of £1 each	**100**	100

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

Notes to the Company Financial Statements

For the year ended 30 April 2021

19 Other reserves

	2021 £'000	2020 £'000
Capital distribution to group undertakings	**245**	245
	245	245

The Company entered into a subordinated loan arrangement with a fellow subsidiary undertaking which was at below market rates.

20 Guarantees

There is a fixed and floating charge over all assets of the Company whereby the Company guarantees all amounts due to Barclays Bank Plc by the Group. This agreement is a joint agreement with The Collinson Group Limited, Collinson Finance Limited and other Group entities however as Collinson Finance Limited is the financing entity of the Group any loans are recorded in that entity. As at the reporting date the amount due to Barclays Bank Plc by certain group companies was £6.5m (2020: £nil). Under the group banking offset arrangement, the Company had no liability to Barclays Bank Plc at the reporting date. Subsequent to the end of the financial year the registered charge was fully satisfied and a new charge registered to Lucid Trustee Services Limited as described in note 25 post balance sheet events.

21 Post-retirement benefits

The Group operates a defined contribution pension plan for its employees. The pension cost charged represents contributions payable by the Company to the funds and amounted to £39,109 (2020: £65,411). Contributions amounting to £nil (2020: £nil) were outstanding at the reporting date.

22 Off balance sheet arrangements

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

23 Related party transactions

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose related party transactions with other wholly owned group companies.

In previous years the Company had entered into trading transactions with International Customer Loyalty Programmes Plc (ICLP plc) a fellow subsidiary that is not wholly owned. In respect of ICLP plc the Company had transactions during the year relating solely to group tax relief. The net receivable of the group tax relief as at 30 April 2021 was £173k (2020: net receivable of £23k).

24 Parent undertaking and ultimate controlling party

At the reporting date, the Company's immediate parent undertaking is The Collinson Group Limited, a company incorporated in England company number 11141096.

The Collinson Group Limited, is the parent undertaking of the largest and smallest group for which group accounts are prepared. Copies of those group accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors regard Parminder Limited, a company incorporated in the Isle of Man, to be the Company's ultimate parent undertaking. The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

Notes to the Company Financial Statements

For the year ended 30 April 2021

25 Post balance sheet events

On 2 July 2021 The Collinson Group Limited signed a new 5-year financing arrangement in support of its medium and long-term financing requirements. The agreement is secured by a registered charge which provides for fixed and floating charges over certain Group companies. One of the conditions of the Facility agreement requires a Group reconstruction by establishing a new UK parent company, Parminder Investments Limited (company number 13453712). There is no change to the intermediate parent undertaking of the Company or to the ultimate parent undertaking of the Company. Another condition was that the Company also had to sell the Insurance Group to The Collinson Group Limited (TCG) in order to secure the lenders securitisations by removing the regulated business from the Company. The sale consideration received was equal to the carrying value of the investment. This Group reconstruction was completed in September 2021

In January 2021 the Board issued a letter of undertaking from The Collinson Group Limited (TCG) to the Directors of subsidiary undertakings to provide assurance that amounts owed between fellow subsidiary undertakings would be recoverable. The letter codified the long standing practice that TCG would ensure amounts owed between subsidiary companies were repaid when called upon and TCG would provide the resources to enable this where required. The TCG Board also approved a detailed project to review and optimise the capital structure of subsidiary undertakings globally which commenced -during 2021. As part of this project the Company received a £70million dividend payment from Priority Travel Group Holdings Limited in order to increase the Company's distributable reserves. The project is expected to be completed during FY22 and could result in a change to the carrying value of certain assets but is not expected to have material impact on the total net assets of the Company. The Directors of relevant subsidiary companies are engaged throughout the process and decisions made are with the approval of each relevant Board.