
Collinson International Limited
Annual report and financial statements

For the year ended 30 April 2022

Registered number: 02577557



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Company Information

Directors	A R Besant (resigned 30 November 2021) M L Buckingham P A Caris C J Evans D Evans M R Hampton (resigned 21 January 2022) T R Handcock S D Pflaum C P Ross (appointed 01 November 2021) A Tonks M M Y Al-Shakarchi (appointed 18 July 2022)
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Company Secretary	S E Hayward
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Registered Office	Cutlers Exchange 123 Houndsditch London EC3A 7BU
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Auditors	Ernst & Young LLP 25 Churchill Place London E14 5EY
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Strategic Report

The directors present their Strategic Report on Collinson International Limited for the year ended 30 April 2022.

Review of the Business

Collinson International Limited (the “Company”) is a holding company. The Company is a direct subsidiary of The Collinson Group Limited (the “Group”, “Collinson Group” or “Collinson”).

The activity of the underlying subsidiaries covers the core businesses of the Group, namely travel experiences and loyalty together with central operations. The Group operates out of 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.

The Company’s performance and its KPIs are exposed to the risks through its subsidiaries and the company and its Directors take active involvement and direction of the strategy, risk exposure and mitigating factors across the group. Collinson International Limited is more than just a company holding investment.

Business Environment

The past year has seen a strong recovery in global travel, with an immediate and positive impact on the level of revenues generated from franchise fees charged for the use of the Travel Experiences brands. The recovery started in the Americas region in early 2021 and saw sustained growth in Europe through to early and mid-2022, with travel in these regions starting to approach pre-pandemic levels by the end of the year. The travel recovery has been slower and more cautious in Asia Pacific. We see green shoots of a recovery, but major markets such as China remain essentially closed. Predictions are that Asia Pacific is not likely to see the return to sustained travel growth until early 2023.

With exposure to Russia and the economic sanctions against that country, we saw a drop in overall revenue from the fourth quarter and expect to see the loss of revenue from that market for the foreseeable future. In time, this will be offset by the general return to travel revenue and future growth in emerging markets for the Group such as South America and India.

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.

Travel Experiences

The Travel Experiences division operates the world’s first and largest independent airport lounge membership programme, Priority Pass, alongside LoungeKey and Mastercard Airport Experiences reaching a combined customer base of over 46.5m premium travellers across 120 countries.

All lounge programmes enjoyed exceptional revenue growth in FY22 versus prior year, as the travel recovery gathered pace. That recovery has been strongest in the Americas and EMEA, with APAC markets emerging more slowly from the pandemic. Whilst sanctions against Russian have had an impact, this will be compensated through overall travel recovery and expansion in emerging markets.

The pandemic has reset traveller expectations for digital delivery of services and enhanced experiences across the travel journey, with travellers seeking flexibility, assurance and comfort. These demands represent new opportunities for Collinson, our clients and partners to deliver a more personalised and enriched offering to better serve and support the traveller. With funding secured we continue to invest in the digitisation of the business by transforming technology, creating flexible global operating platforms. These will allow us to more rapidly add new partners and benefits whilst being more flexible in how they can be leveraged by our clients and accessed by our customers.

Loyalty

The loyalty landscape continues to evolve and transform as relationship management and e-commerce integration continues to grow. A key trend is the migration to enhanced cloud-based loyalty, dialogue and data solutions. Our primary focus within loyalty is the migration to and exploitation of this new infrastructure, combining our 30 years of loyalty management experience and leadership with the very best in technology platforms and solutions.

Our strategy here is to continue to develop our strategic partnership with Salesforce in the development and deployment of their Loyalty Management platform and other customer solutions. This partnership has already started to generate sales as well as establishing a strong pipeline of leads and qualified prospects.

Closer integration with loyalty commerce and payment-linked rewards propositions developed by Valuedynamx (a subsidiary company) enables us to expand our loyalty propositions for clients. By accessing and influencing new customer spend areas, we provide more relevant rewards and incentives for desired changes in behaviour. By harnessing the insight gained from payment transaction data, greater loyalty can be created through the delivery of more personalised offers and rewards.

Results and performance

The results of the Company for the year, as set out on page 18 show a pre-tax profit of £16.9m (2021: pre-tax loss of £37.4m), for the year and revenue of £39.6m (2021: £17.9m) resulting from the franchise fee. The profit for the year is impacted by a £70m dividend from Priority Travel Group Holdings, that was received as part of reconstruction activity that took place during the year, and significant intercompany loan waivers and investment impairments that were recognised this year. As a holding company, all other activity is undertaken by the underlying subsidiaries.

Key performance indicators (KPIs)

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.

Managing Risk

Our aim is to embed risk management policies and procedures which are proportionate to the business, understood by everyone and provide management and the Board with information to make risk-based decisions. We have adopted the 3 lines of defence model, working closely with all areas across the business, to help identify and assess risks, set targets and actions to react to and treat risks. Business unit risks are aggregated to identify key trends or risks which could have a significant impact on business objectives and, together with the strategic risks identified by management, form the key risk register.

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 generating long-term shareholder value by setting the Group's strategic direction and approving the Group's risk appetite, determining the nature and extent of risk the Group is willing to take to achieve its objectives. The Board is also responsible for effective management of operations and the internal control framework to monitor financial risks and control effectiveness.

The following list highlights some of the principal risks identified by the Board;

Risk	Mitigation
Cyber security Threat of phishing, ransom, hacking, viruses, or unauthorised data breaches; and unintentional loss of controlled data by authorised users.	- Investment in the latest Cyber Security controls, tools, and technology - Additional hires in Cyber Security team - Training and communication campaigns - Breach management procedures
Competition Risk Inability to retain a market leading position in a highly competitive environment, ensuring retention of the largest global lounge network and strengthening the portfolio of customer experiences.	- Strong, long standing customer relationships providing the largest global lounge network - Innovation roadmap to continue to deliver customer experiences - Intelligence in the global market space - Robust strategic partners in all regions allowing the Group to acquire new lounges, invest in innovation and build new markets.
Financial Risk Demands on cash, pressure from clients and suppliers for revised payment terms, pricing, and reduced margins, coupled with exchange rate volatility, and inflation could negatively impact cash management and profitability.	- Dedicated partnership and procurement functions embedded in the organisation to achieve maximum value, price and service - A five year term loan secured in July 2021 to provide financial support for general corporate requirements and working capital as well as funding for acquisitions, continued growth, and investment. - Geographical and sector diversification to mitigate foreign exchange volatility - Group Treasury function to monitor cash and currency movements - Foreign currency contracts to hedge our FX exposure and reduce impact of fluctuations.
Macroeconomic Risk The risk to the business of macroeconomic events such as the conflict in Russia, political changes, travel recovery, rise in inflation, change from LIBOR to SONIA and labour markets.	- Forecasting best, worst and most likely financial scenarios - Increased volumes in other regions, mitigated impact of Russian suspension - The impact of talent shortages in airlines and airports has a possible impact on lounge pricing which is managed through our strategic relationships.
People Inability to attract, retain and develop the right people and skills required to deliver our strategic objectives.	- Identify and retain key talent and ensure we have the right skills and experience in the right places to manage our businesses. - Employee wellbeing activities and surveys - Staff training and performance and development programmes to strengthen our commitment to our people.

This year, following the impacts of COVID-19 in the previous financial year, the lifting of restrictions has seen the recovery of travel across the Globe, albeit with a difficulty to predict and a vast difference in the rate of recovery by geographical region. We remain mindful of the risks posed by emerging mutations of the virus.

The ability for the travel industry to recruit is having an impact on airports, airlines and hospitality causing a lack of customer confidence and changes in travel patterns. Talent acquisition and retention is a key focus area for the board however the wider travel industry is seeing the impact of these market dynamics also.

The UK and international economic recovery have benefitted from programmes of quantitative easing and government support packages, which led to an economic recovery in 2021 but has also contributed to higher-than-expected inflation. Inflationary pressures are also arising out of supply strain in the UK. The cost of living and increase in fuel prices could have an impact such as;

- Increase in wages, directly and indirectly;
- Increased price pressure from lounge partners and a further squeeze on margin;
- Interest rates increases;
- Escalation of geopolitical tensions; and
- A more challenging trade environment for international trade.

Following the increased conflict in Ukraine, Collinson took the decision to suspend trading within Russia in March 2022. The Board share the concern of our colleagues regarding the ongoing situation in Russia and Ukraine and join the many voices calling for an end to the war. The suspension of all Russian activity had an immediate and unforeseen impact to revenue which has been mitigated by increased volumes in other regions. We hope to be able to continue to provide services to our Russian customers in the future.

Section 172 Statement

Director's statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under section 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 employees;
- the need to foster the business relationships with suppliers, customers and others;
- the impact of the operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members

Our Stakeholders

The directors consider the following groups are key stakeholders. The Board seeks to understand the interests of the stakeholder groups so that they may be properly considered in the decision making process. This is done through direct engagement, receiving reports from management and inclusion of stakeholder interests in Board papers as appropriate.

Our People	
Why they matter to us and why is it important to engage	Employee engagement and wellbeing is paramount to the success of the business, ensuring the business has the culture and values critical to the delivery of our strategy. Our people can expect a workplace that is safe, inclusive and offers them the opportunity to develop, learn and engage. We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect.

	Our people want to be a part of the decisions that affect them, be empowered to make decisions, be safe to challenge management, be curious to ask question and be supported by effective systems of communication.
How management and the Board engage	The Board receive regular reports from the Chief People Officer (CPO) on all aspects relating to the value, development and wellbeing of our people. Our Employee Network Groups (Women in Collinson, Link and Kaleidoscope) are run and led by members of our global workforce and can drive diversity and inclusion through the organisation through a combined Positive Action Group sponsored by our CPO. All of people policies are under a cycle of constant improvement and are reviewed and approved by the Positive Action Group. Following the success of our reverse mentoring programme between our people and our senior leaders, this will continue as a permanent learning programme for our senior leaders. Collinson operate a framework for employee engagement, development, information and consultation. Using our technology we are able to communicate with our staff as we continue to support a hybrid working environment which includes regular video updates from our Joint CEO's and monthly virtual engagement sessions with all of our people managers.
Our Partners and Suppliers	
Why they matter to us and why is it important to engage	We are only able to offer and deliver high quality products and services with the support of our partners and suppliers. Our reputation is built on our products and brands, ensuring our values are aligned with our suppliers and together we can work to create a responsible, sustainable and valuable supply chain. Knowing who we are working work enables us to create strategic partners with the safety and security of the resilience of our operations and long-term success of our business. Developing key strategic partnerships with our outsource partners has given us the ability to continually grow and expand our portfolio of activity. Innovation is key to our success and working in partnership with our suppliers to continually improve, stretch and disrupt the market providing the best products and services to our clients and customers.
How management and the Board engage	We outsource activity across many of our business areas and undertake due diligence, oversight, and regular engagement with all outsourced providers. Our approach to procurement incorporates practices to make responsible procurement decisions which treat suppliers fairly, mitigate modern slavery and ensure prompt payment. We operate key account management practices including the operation of our lounge network through a dedicated partnership team working to deliver sustainable strategic relationships across our global network.
Our clients and customers	

Why they matter to us and why is it important to engage	Our customers are the foundation of our business. It is important that working with our clients, we provide a range of products and services to meet their needs. Our customers want their travel experience to be safe comfortable, secure and sustainable. Working with our clients we can develop innovative products and propositions to improve the travel journey. By aligning our strategic objectives, our clients work with us to maximise customer experience for mutual benefit.
How management and the Board engage	Management engage closely with key clients ensuring a synergy of strategic objectives, culture, and values. As travel recovers post pandemic, we have worked closely with our key clients with a particular focus on the impact COVID-19 may have had on their business activities. This has helped us to inform the recovery profile and associated business planning, as well as influence on future proposition and customer needs. Our continued investment in digital services and broader technology to support innovation and security is in part driven by the needs of our clients through collaborative product development and design. Our access to customer data and intelligence provides us with an understanding of customer needs and demands, to feed our product development and improve customer experience.
Our Shareholders	
Why they matter to us and why is it important to engage	As a Private Limited Company, we are 100% owned by The Collinson Group Limited. Our shareholders support our strategic objectives and operations seeking sustainable long-term return on investment with no fixed return on capital expectations.
How management and the Board engage	The Company report to the Shareholder on performance, business strategy and return on investment as required.
Our Communities and Environment	
Why they matter to us and why is it important to engage	We believe that you do not have to choose between making meaningful change and running a successful business. We want to be more than just a profitable company and measure our success by the impact we have on those around us. We want to support the communities in which we operate to provide a sustainable future for our people, our customers and our environment. We make sure our actions and decisions are guided by our values, and always push ourselves and our wider networks to treat people fairly and operate in a socially, environmentally, and economically sustainable way.
How management and the Board engage	The Travel and Financial Services industries are our main target sectors, both of which are increasingly stepping up their efforts to minimise their environmental impact. The Group have created the ESG strategy, endorsed by the Board, and invested in additional resource to develop our plans for FY23. This will include

	diverse supply, global scope 1 and 2 emissions reporting and setting our targets for environmental sustainability. Each of our global offices is focusing on continuous opportunities to improve our sustainability efforts, ranging from the reduction of plastic waste to how we can maximise the use of technology and digital innovation in our products. As well as working with our strategic charitable partners, we offer all our people volunteer opportunities and match funding for charitable giving.
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Principal Decisions

Introduction

The Company defines a principal decision as any decision of the Board that is material to the Company and or is significant to any of its stakeholders.

Below is the statement regarding how stakeholder considerations are considered in relation to specific Board decisions during FY22. 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. Specific examples are set out below.

Principal Decision	Who we engaged with and how
Employee Working Conditions and Rewards.	Following the relaxation of COVID-19 restrictions we engaged with our employees and listened to their feedback, creating a hybrid working environment with a mix of collaborative office-based working and home working. The Board approved further investment in our People and Culture Team and to undertake a number of initiatives aimed at improved working conditions and rewards, talent acquisition and retention, these included: • A Career Framework clearly describing key job families, roles and responsibilities for the entire company creating clarity and transparency for our people • Improvements to talent acquisition and retention with the enhancement of our careers site, onboarding processes and diverse recruitment • Investment in developing talent with a mix of upskilling, training and development, mentoring and developmental objectives • Recruitment of our first Global Director of Rewards to focus on performance engagement and reward • Recruitment of our first Global Head of Diversity, Inclusion and Wellbeing to lead our DEI and wellbeing strategy
Suspension of activity in Russia	The geopolitical situation in Eastern Europe intensified in late February 2022 with the commencement of Russia's military action against Ukraine.

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	Following engagement with network clients we were able to align our suspension activities with the least possible disruption. Through our stringent sanctions screening processes, we have been able to engage with banks, clients, partners and suppliers for legal payment activity. Where restrictions have been imposed we have managed timely communication and expectations with partners to protect the long term impact to the business.
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Future Outlook

Whilst there is still a degree of uncertainty around the progression of COVID-19 and its long-term impact on the travel industry, there is now clear evidence of a recovery in progress and a growing resilience towards future outbreaks and strains. Our key US domestic market remains buoyant, and Europe is now showing a strong recovery. With COVID-19 considered to be moving to a longer-term endemic status, our unique ability to make the travel journey more personal, more enjoyable, and more assured, positions the company well for continued growth.

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

DocuSigned by:

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C Evans
Director
15 December 2022

Directors' Report

The directors present their report together with the audited financial statements of the Company for the year ended 30 April 2022.

Directors

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

Future Development

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

Results and dividends

The audited financial statements are presented from page 17. The Company has paid a dividend of £20k for the year (2021: £50k). The Company has not recommended any further dividends.

Insurance of Directors and Officers

The Directors and Officers of the Company are covered under a Directors and Officers liability policy covering the entire Collinson Group. These insurance policies were in force at 30 April 2022 and on the day the Directors' report was approved.

Streamlined Energy and Carbon Reporting

The Company 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.

Subsequent Events

See note 26 for details of any post balance sheet events.

Political Donations

There were none.

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 the 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 assessment, the Directors have considered the Company's current financial performance; forecasts of future financial performance, future cash flow and liquidity requirements based on operational business plans; and access to additional liquid resources. Based on the assessment the Directors have a reasonable expectation that the Company has access to sufficient liquid resources to continue in operational existence from the date of signing the financial statements to 31 January 2024.

Directors' Report (continued)

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 £50m Term Loan and an Acquisition Facility of up to £50m that is available to draw on until 1 July 2024. Both facilities mature on 1 July 2026. In addition, a new revolving credit facility of up to £12.5m was secured during the financial year, of which £5m is earmarked for use on letters of credit with the residual £7.5m available to support short-term working capital needs if required. As required by the terms of the financing arrangement, the Group drew down £50m of the Term Loan at the timing of signing, and as at 30 April 2022 had also drawn £8m on the Acquisition Facility and it had utilised £1.8m of the £5m carved out for letters of credit under the revolving credit facility. Taking account of the Group's available cash and access to the revolving credit facility, the Group had unrestricted access to £95.4m of liquidity as at 30 April 2022; as at 30 November 2022, the Group still had £76.2m of liquidity available to it. In addition, as at 30 April 2022 the Group still had £42m available to it under the Acquisition Facility which it can use to fund strategic investments to support the continued growth of its businesses.

During the year ended 30 April 2022, the Company incurred a profit of £18,523,508 and as of that date, had net assets of £46,310,361 and net current assets of £43,374,864. As a result of the centralised treasury arrangements the Company is reliant on a letter of support from its intermediate 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. In making this going concern assessment the Directors of the Group have modelled a base case scenario, which represents the Group's current outlook of future expected performance of the business, and considers the Group's access to liquidity, along with projected liquidity and net debt positions. The base case reflects the Group's continued increase in volumes in its Travel Experiences and Airport Dimensions businesses as the pace of travel recovery increases and more modest growth across all other divisions with the exception of travel testing in the Assistance business with demand for testing now in decline. Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants.

The Directors of the Group consider the most significant risks to the Group at this time relate to emerging macroeconomic factors. As such its Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a reduction of lounge visit volumes as well as elevated costs compared to the base case. This reflects the risk of a significant slow-down in travel recovery and weaker travel demand due to the cost-of-living crisis and the related inflationary pressures. Whilst the Directors of the Group believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Group would breach one or more covenants from July 2023 unless management action was taken. The Directors of the Group have therefore identified multiple, realistic, management actions that could be taken to mitigate the impact, including rationalising its overhead base. These mitigating actions are entirely within management's control, can be put into place at speed, and would enable the Group to remedy any potential breaches and provide it with sufficient liquidity and headroom over its other financial covenants to continue to operate throughout the going concern period.

The Directors of the Group have also considered a reverse stress test which considers a scenario where a combination of individually plausible adverse macroeconomic factors all materialise concurrently and for a sustained period. The Directors of the Group believe that the combination of all such factors happening concurrently, which would be necessary to result in a breach of the financial covenants even after allowing for available management accounts, is remote.

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Directors' Report (continued)

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 intermediate 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 forecast 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 to 31 January 2024. As such the Directors have continued to adopt the going concern basis in preparing these financial statements.

Statement on disclosure to auditors

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.

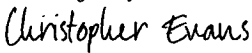
Auditors

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

Strategic report exemption

The Company is excluded from preparing accounts in accordance with the small companies regime as it is a member of an ineligible group. The Company would be entitled to the small companies exemption had it not been a member of an ineligible group and has therefore opted to take exemption from preparing a strategic report in accordance with section 414B(b) of the Companies Act 2006.

This report was approved by the board on 15 December 2022 and signed on its behalf by:

DocuSigned by:

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C Evans

Director

Collinson International Limited
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Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and FRS103 'Insurance Contracts').

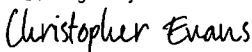
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

DocuSigned by:

4D8362EFC88044F...
C Evans
Director
15 December 2022

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

Opinion

We have audited the financial statements of Collinson International Limited ("the Company") for the year ended 30 April 2022 which comprise the Statement of Financial Position, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 26, 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 including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland" (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 2022 and of its profit 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. 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.

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 2024.

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.

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

We have nothing to report in this regard.

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

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 statement of directors' responsibilities 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.

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:

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

- 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 have considered the potential for override of controls or other inappropriate influence over the financial reporting process, the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention and deterrence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business 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. We designed and performed audit procedure to ensure that intercompany 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, 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 using data analytics involved testing manual journals identified by specific risk criteria. We corroborate our enquires of management and those responsible for legal and compliance procedures through reviewing minutes of the Board meetings, correspondence with local tax and other regulatory authorities, significant contracts and agreements impacting the Company and testing manual journals and noted no contradictory evidence.

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 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.

Ernst & Young LLP

Spela Stefanov (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London 13, 12, 2022

Statement of Comprehensive Income

For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Revenue	5	39,636	17,896
Cost of Sales		(25,618)	(25,862)
Gross Profit/(Loss)		14,018	(7,966)
Administrative expenses		(20,473)	(47,177)
Intercompany loan waivers	10	(39,492)	-
Investments impairment/reversal	15	(18,906)	8,119
Foreign exchange gains		13,202	10,141
Operating Loss		(51,651)	(36,883)
Dividend income	12	70,000	-
Interest receivable and similar income	8	15	30
Interest payable and similar charges	9	(1,423)	(549)
Profit/ (Loss) on ordinary activities before taxation	10	16,941	(37,402)
Taxation	11	1,582	4,631
Profit/ (Loss) for the year		18,523	(32,771)
Other comprehensive income		-	-
Total comprehensive income/ (loss)		18,523	(32,771)

The notes on pages 20 to 37 are an integral part of these financial statements.

Collinson International Limited
Annual report and financial statements

Statement of Financial Position

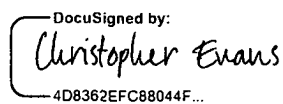
As at 30 April 2022

Registered number: 02577557

	Note	2022 £'000	2021 £'000
Non-current assets			
Property, plant and equipment	14	98	178
Investments in subsidiary undertakings	15	2,837	42,062
		<u>2,935</u>	<u>42,240</u>
Current assets			
Trade and other receivables	16	149,549	67,783
Cash and cash equivalents		811	93
		<u>150,360</u>	<u>67,876</u>
Current liabilities			
Trade and other payables	17	(106,985)	(82,251)
		<u>(106,985)</u>	<u>(82,251)</u>
Net current assets / (liabilities)		<u>43,375</u>	<u>(14,375)</u>
Total assets less current liabilities		<u>46,310</u>	<u>27,865</u>
Non-current liabilities			
Other non-current liabilities	17	-	(58)
Net assets		<u>46,310</u>	<u>27,807</u>
Capital and reserves			
Share capital	19	100	100
Other reserves	20	(245)	(245)
Retained earnings		46,455	27,952
Total equity		<u>46,310</u>	<u>27,807</u>

The notes on pages 20 to 37 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 15 December 2022 and were signed on its behalf by:

DocuSigned by:

 4D8362EFC88044F...

C Evans
 Director

Statement of Changes in Equity

For the year ended 30 April 2022

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 30 April 2020	100	(245)	60,773	60,628
Loss for the year	-	-	(32,771)	(32,771)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(32,771)	(32,771)
Dividends paid (see Note 13)	-	-	(50)	(50)
At 30 April 2021	100	(245)	27,952	27,807
Profit for the year	-	-	18,523	18,523
Other comprehensive income	-	-	-	-
Total comprehensive Profit	-	-	18,523	18,523
Dividends paid (see Note 13)	-	-	(20)	(20)
At 30 April 2022	100	(245)	46,455	46,310

The notes on pages 20 to 37 are an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 30 April 2022

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 25 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 2022

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 the 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 assessment, the Directors have considered the Company's current financial performance; forecasts of future financial performance, future cash flow and liquidity requirements based on operational business plans; and access to additional liquid resources. Based on the assessment the Directors have a reasonable expectation that the Company has access to sufficient liquid resources to continue in operational existence from the date of signing the financial statements to 31 January 2024.

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 £50m Term Loan and an Acquisition Facility of up to £50m that is available to draw on until 1 July 2024. Both facilities mature on 1 July 2026. In addition, a new revolving credit facility of up to £12.5m was secured during the financial year, of which £5m is earmarked for use on letters of credit with the residual £7.5m available to support short-term working capital needs if required. As required by the terms of the financing arrangement, the Group drew down £50m of the Term Loan at the timing of signing, and as at 30 April 2022 had also drawn £8m on the Acquisition Facility and it had utilised £1.8m of the £5m carved out for letters of credit under the revolving credit facility. Taking account of the Group's available cash and access to the revolving credit facility, the Group had unrestricted access to £95.4m of liquidity as at 30 April 2022; as at 30 November 2022, the Group still had £76.2m of liquidity available to it. In addition, as at 30 April 2022 the Group still had £42m available to it under the Acquisition Facility which it can use to fund strategic investments to support the continued growth of its businesses.

During the year ended 30 April 2022, the Company incurred a profit of £18,523,508 and as of that date, had net assets of £46,310,361 and net current assets of £43,374,864. As a result of the centralised treasury arrangements the Company is reliant on a letter of support from its intermediate 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. In making this going concern assessment the Directors of the Group have modelled a base case scenario, which represents the Group's current outlook of future expected performance of the business, and considers the Group's access to liquidity, along with projected liquidity and net debt positions. The base case reflects the Group's continued increase in volumes in its Travel Experiences and Airport Dimensions businesses as the pace of travel recovery increases and more modest growth across all other divisions with the exception of travel testing in the Assistance business with demand for testing now in decline. Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants.

The Directors of the Group consider the most significant risks to the Group at this time relate to emerging macroeconomic factors. As such its Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a reduction of lounge visit volumes as well as elevated costs compared to the base case. This reflects the risk of a significant slow-down in travel

Notes to the Company Financial Statements

For the year ended 30 April 2022

3 Accounting policies (continued)

3.2 Going concern (continued)

recovery and weaker travel demand due to the cost-of-living crisis and the related inflationary pressures. Whilst the Directors of the Group believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Group would breach one or more covenants from July 2023 unless management action was taken. The Directors of the Group have therefore identified multiple, realistic, management actions that could be taken to mitigate the impact, including rationalising its overhead base. These mitigating actions are entirely within management's control, can be put into place at speed, and would enable the Group to remedy any potential breaches and provide it with sufficient liquidity and headroom over its other financial covenants to continue to operate throughout the going concern period.

The Directors of the Group have also considered a reverse stress test which considers a scenario where a combination of individually plausible adverse macroeconomic factors all materialise concurrently and for a sustained period. The Directors of the Group believe that the combination of all such factors happening concurrently, which would be necessary to result in a breach of the financial covenants even after allowing for available management accounts, is remote.

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 intermediate 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 forecast 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 to 31 January 2024. 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

Notes to the Company Financial Statements

For the year ended 30 April 2022

3. Accounting policies (continued)

3.4 Revenue recognition (continued)

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 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 of 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

Notes to the Company Financial Statements

For the year ended 30 April 2022

3. Accounting policies (continued)

3.8 Leases (continued)

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.

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.

Notes to the Company Financial Statements

For the year ended 30 April 2022

3. Accounting policies (continued)

3.10 Financial instruments (continued)

Financial liabilities – classified as basic financial instruments (continued)

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.

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.

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

Notes to the Company Financial Statements

For the year ended 30 April 2022

4. Critical judgements in applying the Company's accounting policies (continued)

4.2 Key sources of estimation uncertainty (continued)

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.

(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 £961k (2021: £715k).

5 Revenue

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

	2022 £'000	2021 £'000
Franchise fees		
United Kingdom	23,251	11,485
North and South America	16,227	5,096
Asia including Middle East	158	1,315
	39,636	17,896

6 Staff costs

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

	2022	2021
Administration	6	7

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	2,665	2,443
Social security costs	326	336
Other pension costs	37	39
	3,028	2,818

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

Notes to the Company Financial Statements

For the year ended 30 April 2022

7 Directors' remuneration

Certain directors are also directors or key management personnel of other companies within The Collinson Group so they do not receive specific remuneration for their services as Directors of the Company. The Group considers it impractical to apportion directors' remuneration among the Group entities.

8 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable and similar income	15	30
	<u>15</u>	<u>30</u>

9 Interest payable and similar charges

	2022 £'000	2021 £'000
Interest payable on other loans	(1,423)	(549)
	<u>(1,423)</u>	<u>(549)</u>

10 Profit/ (Loss) on ordinary activities before taxation

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

	2022 £'000	2021 £'000
Depreciation of property, plant and equipment	20	20
Impairment reversal	-	(8,119)
Impairment loss on investments	18,906	-
Intercompany loan waivers	39,492	-
Foreign exchange (gain)/ loss	(13,202)	11,338
Auditors' remuneration	232	138

11 Taxation on profit on ordinary activities

The taxation charge comprises:

	2022 £'000	2021 £'000
Current taxation on profit on ordinary activities		
UK corporation taxation	466	(5,003)
Adjustment in respect of prior years	(425)	-
Total current taxation	<u>41</u>	<u>(5,003)</u>
Deferred taxation		
Origination and reversal of timing differences	(1,360)	372
Adjustments due to tax rate change	(263)	-
Adjustments in respect of prior years	-	-
Total deferred taxation	<u>(1,623)</u>	<u>372</u>
Total taxation on profit on ordinary activities	<u>(1,582)</u>	<u>(4,631)</u>
Total tax income/(expense) included in other comprehensive income	<u>-</u>	<u>-</u>

Notes to the Company Financial Statements

For the year ended 30 April 2022

11 Taxation on profit on ordinary activities (continued)

Taxation on profit on ordinary activities for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022 £'000	2021 £'000
Profit on ordinary activities before taxation	16,941	37,402
Income tax calculated at 19 % (2021: 19%)	3,219	(7,106)
Expenses not deductible for tax purposes	11,104	1,770
Capital allowances in excess of depreciation	(11)	(12)
Income not subject to tax	(13,300)	(1,543)
Adjustment in respect of prior years	(425)	-
Impact of tax rate changes	(266)	-
Deferred tax not recognised	-	2,260
Recognition, derecognition and utilisation of tax losses	(1,903)	-
Taxation expense for year	(1,582)	(4,631)

Factors affecting the tax charge

Finance Act 2021 included an increase in the corporate tax rate to 25% from April 2023. The deferred tax assets and liabilities have been measured at the enacted rate that is expected to apply when the asset is realised or the liability settled.

12 Dividend receivable

As part of the group reconstruction it was agreed to pay a dividend of £70m from Priority Travel Group Holdings Limited to Collinson International Limited.

13 Dividends payable

Amounts recognised as distributions to equity holders in the year:

	2022 £'000	2021 £'000
Dividends in specie	-	-
Dividends paid	20	50
	20	50

Notes to the Company Financial Statements

For the year ended 30 April 2022

14 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	(22)	(180)	(202)
Depreciation charge	(20)	(60)	(80)
At end of year	(42)	(240)	(282)
Net book value			
At 30 April 2022	39	59	98
At 30 April 2021	59	119	178

The net carrying amount of assets held under finance leases included in fixtures, fittings and equipment is £58k (2021: £115k).

Notes to the Company Financial Statements

For the year ended 30 April 2022

15 Investments in subsidiary undertakings

	2022 £'000	2021 £'000
Cost		
At beginning of year	42,112	42,112
Additions	9,103	
Disposals	(29,422)	-
At end of year	21,793	42,112
Accumulated Impairment		
At beginning of year	(50)	(8,169)
Disposals		
Impairments	(18,906)	8,119
At end of year	(18,956)	(50)
Net book value		
At 30 April 2022	2,837	-
At 30 April 2021	-	42,062

Collinson Insurance Holdings Limited (CIHL) is the ultimate parent company of the entities which make up the Insurance and Assistance division and holds all of the group's regulated businesses. CIHL was a subsidiary of CIL who in turn is a wholly owned subsidiary of The Collinson Group Limited (TCG). The Insurance Group reorganization involved the transfer of CIHL from CIL to TCG. The transfer was effected by way of a sale from CIL to TCG at net book value which totalled £29,422,400. The sale proceeds were satisfied by way of a loan agreement between TCG and CIL.

Additions:

Additions of £8.6m relate to an additional investment into Bienvenue Financiere ("BF"), converting a loan from Collinson International Limited into share capital. The additional £492k relates to the sale of Collinson Latitude AP Hong Kong from Collinson Group IT Limited to Collinson International Limited.

Impairments:

In the previous financial year management reversed an impairment loss on the Company's investment in Collinson Finance Limited (CFL), which acts as the internal treasury company for The Collinson Group. In making this assessment to reverse the impairment management had used judgement taking into account external FX rate forecasts and believed that unrealised FX losses, which had led to the impairment, were temporary in nature and would reverse. During FY22 due to changes in the economic climate the FX rates did not recover as expected and resulted in further FX losses in CFL, predominantly on USD and HKD borrowings from fellow subsidiaries. As a result management have determined it is appropriate to fully impair the Company's investment in CFL.

The investment in Bienvenue Financiere ("BF") has been impaired in full this year, given that current forecasts do not demonstrate sufficient future profits. However, work continues to better reflect the value of this investment and to reverse the scale of impairment in future periods.

Notes to the Company Financial Statements

For the year ended 30 April 2022

15 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
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
Collinson Latitude (AP) Limited	Hong Kong	Ordinary	100	3

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				
Collinson Group (Trademarks) Limited	Malta	Ordinary	100	6
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
The Collinson Group (Asia) Pte Limited	Singapore	Ordinary	100	10
The Collinson Group Australia Pty Limited	Australia	Ordinary	100	7
	USA	Ordinary	100	2
The Collinson Group (USA) Limited				

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 Of America Inc.	USA	Ordinary	100	9
IAPA (Travel Services) Inc.	USA	Ordinary	100	2
International Airline Passengers Association (EAME) Limited	United Kingdom	Ordinary	100	1

Notes to the Company Financial Statements

For the year ended 30 April 2022

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 Gateway Limited	United Kingdom	Ordinary	100	1
Lounge Key AP Limited	Hong Kong	Ordinary	100	3
Lounge Key Inc.	USA	Ordinary	100	27
Lounge Key Limited	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	28
Priority Pass Limited	United Kingdom	Ordinary	100	1
Priority Travel Group (USA) Ltd	USA	Ordinary	100	27
The Executive Club International Limited	United Kingdom	Ordinary	100	1

Insurance and assistance services

Collinson Assistance Services, Inc.	USA	Ordinary	100	15
Collinson Insurance Brokers Inc.	USA	Ordinary	100	28
Columbus Direct Travel Insurance Pty Limited	Australia	Ordinary	100	7

Loyalty, marketing and related services

Collinson (ASPAC) Pte. Ltd	Singapore	Ordinary	100	4
Valuedynamx Inc (see note 1)	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 USA Inc.	USA	Ordinary	100	2
Collinson International (Hong Kong) Limited	Hong Kong	Ordinary	100	3
Collinson (Japan) K.K.	Japan	Ordinary	100	17
Collinson Loyalty & Benefits Pvt Ltd	India	Ordinary	100	8
Collinson Middle East	United Arab Emirates	Ordinary	100	29
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
Partnership Marketing Agency Limited	United Kingdom	Ordinary	100	1
Partnership Marketing Agency Limited (HK)	Hong Kong	Ordinary	100	3
Vivid Lime Limited	United Kingdom	Ordinary	100	1
Worldwide Travel Concierge Limited	United Kingdom	Ordinary	100	25

Note 1 – Collinson CLO Inc changed name to Valuedynamx Inc on 15th November 2021

Notes to the Company Financial Statements

For the year ended 30 April 2022

<i>Number</i>	<i>Registered address</i>
1	Cutlers Exchange, 123 Houndsditch, London EC3A 7BU, United Kingdom
2	5217 Tennyson Parkway, Suite 100%, Plano TX 75024, United States
3	16 th 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
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

Notes to the Company Financial Statements

For the year ended 30 April 2022

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
27	1209 Orange Street, Corporation Trust Center, New Castle County, Wilmington DE 19801
28	1999 Bryan Street, Suite 9002, Dallas TX 75201
29	3204, Floor 32 Business Central Towers Dubai Media City
30	IDA Business Park, Athlumney, Navan, C15 E8KV, Ireland
31	Sussex House, Perrymount Road, Haywards Heath, RH16 1DN

16 Trade and other receivables

	2022 £'000	2021 £'000
Amounts owed by group undertakings	146,450	64,764
Other receivables	194	128
Prepayments and accrued income	5	111
Corporation tax	562	2,065
Deferred tax (see note 18)	2,338	715
	149,549	67,783

Amounts due from other group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. In addition, the amounts owed by Collinson Finance Limited included in amounts owed by other group undertakings of £146,805 (2021: £64,764) accrue interest at LIBOR minus 0.5% up to and including 31 December 2021 and at SONIA plus 2.25% from 1 January 2022. These amounts are repayable within 5 business days upon request of the lender.

17 Trade and other payables

	2022 £'000	2021 £'000
Due within one year		
Trade payables	2	1
Amounts owing to group undertakings	104,236	75,412
Other payables	1	161
Finance leases	58	57
Social security and other taxes	291	82
Accruals and deferred income	2,397	6,538
	106,985	82,251
Due after one year		
Finance leases	-	58
	-	58

Notes to the Company Financial Statements

For the year ended 30 April 2022

17 Trade and other payables (continued)

Amounts due to other group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. In addition, the amounts owed to Collinson Finance Limited included in amounts owing to other group undertakings of £75,426 (2021: £75,412) accrue interest at LIBOR plus 0.5% up to and including 31 December 2021 and at SONIA plus 0.2% plus 2.25% from 1 January 2022. These amounts are repayable within 5 business days upon request of the lender.

	2022 £'000	2021 £'000
Finance Leases		
Not later than one year	58	57
Later than one year and not later than five years	-	58
Later than five years	-	-
Total gross payments	58	115
Less: finance charges	-	-
Carrying amount of the liability	58	115

The finance lease relates to fixtures, fittings and equipment. The remaining lease term is 1 year, at the end of which the Company will own the assets.

18 Deferred taxation

	2022 £'000	2021 £'000
At beginning of year	715	1087
Charged in year	1,360	(372)
Change in tax rate	263	-
At end of year	2,338	715
Comprising of:		
Provisions	942	716
Unutilised tax losses	1,377	-
Capital allowances	19	(1)
	2,338	715

The Company expects deferred tax assets of £1.4m to reverse in 2023 as losses are utilised

19 Share capital

	2022 £'000	2021 £'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 2022

20 Other reserves

	2022 £'000	2021 £'000
Capital distribution to group undertakings	245	245
	<u>245</u>	<u>245</u>

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

21 Contingent Liabilities

During the year, a new fixed and floating charge was registered over all assets of the Company whereby the Company guarantees all amounts due to (Kroll Trustee Services Limited (formerly Lucid Trustee Services Limited) by the Group. At the reporting date, the amount due to Kroll Trustee Services Limited by subsidiary undertakings was £58.0m.

In the previous year, there was a fixed and floating charge over all assets of the Company for the guarantee of all amounts due to Barclays Bank Plc by the Group. This was satisfied in full during FY22.

The Group's Composite Accounting Agreement with Barclays Bank Plc was renewed during the year. Under this arrangement, the Company is a guarantor on behalf of other fellow subsidiary members of the arrangement. As at the reporting date, the net amount payable to Barclays Bank Plc under the offset arrangement was £nil.

22 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 £37,138 (2021: £39,109). Contributions amounting to £nil (2021: £nil) were outstanding at the reporting date.

23 Off balance sheet arrangements

During FY22 the Group fully repaid the RCF and rescinded the agreement. In December 2021 the Group agreed a new £12.5m RCF with Barclays Bank plc. £5m of this facility is in the name of Collinson International Limited can be used for the issuance of letters of credit, of which £1.4m (\$1.8m) is currently utilised. Interest on the RCF is charged at 2.25% per annum. A commitment fee is charged on the unused portion of the RCF. There are no bank loans outstanding at the end of FY22.

24 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 Ltd (ICLP Ltd) a fellow subsidiary that is not wholly owned. In respect of ICLP Ltd 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 2022 is £307k (2021: net receivable of £173k).

25 Parent undertaking and ultimate controlling party

The Collinson Group Limited, a company incorporated in England with company number 11141096, is the immediate parent undertaking. Parminder Investments Limited, a company incorporated in England with company number 13453712, is the parent undertaking of the largest group for which group accounts are prepared. The parent undertaking of the smallest group for which group accounts are prepared is The Collinson Group Limited, a company incorporated in England with company number 11141096. Copies for both sets of group accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Notes to the Company Financial Statements

For the year ended 30 April 2022

26 Post balance sheet events

After the balance sheet date the Group undertook a review of its intra-group financing arrangements to reduce complexity and agreed to a change in how intra-group loans are to be distributed within the Group. This change is expected to be implemented before the end of FY23 and could result in a change to the carrying value of certain assets but it is not expected to materially change the total net assets of the Company.