
The Collinson Group Limited
Annual report and financial statements
For the year ended 30 April 2024
Registered number: 11141096

The Collinson Group Limited

Annual report and financial statements

Company Information	1
Strategic Report	
Chairman's Message	2
Review of the Business	3
Managing Risk	4
Our Strategic Framework	6
Our Operating Businesses	7
Results and performance	9
Future Outlook	12
Section 172 Statement	12
TCFD Report	23
Environment, Social and Governance	32
Governance	
Corporate Governance Statement	35
Directors' Report	37
Statement of Directors' Responsibilities	40
Independent Auditor's Report	41
Financial Statements	
Consolidated Statement of Comprehensive Income	45
Consolidated Statement of Financial Position	46
Consolidated Statement of Changes in Equity	47
Consolidated Statement of Cash Flows	48
Notes to the Consolidated Financial Statements	49
Company Statement of Financial Position	96
Company Statement of Changes in Equity	97
Notes to the Company Financial Statements	98

Company Information

Directors

Colin Robert Evans
Christopher James Evans
David John Neil Evans
Lorraine Ann O'Brien
Jonathan Stuart Holmes
Denise Margaret Evans (Alternate Director)
Trevor Robert Maclean (appointed 19 February 2024)

Company Secretary

Susan Elizabeth Hayward (resigned 31 October 2023)
Josie-Azzara Havita (appointed 5 December 2023)

Registered Office

3 More London Riverside
5th Floor
London
SE1 2AQ
United Kingdom

Auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY
United Kingdom

Strategic report

Chairman's message

In the past financial year, once again I couldn't be prouder of the journey The Collinson Group Limited (TCG) has taken. The year ended 30 April 2024, was a record-breaking year financially, with revenue growing by 34% and now surpassing £1.5bn. This is testament to the enormous dedication displayed by our 1,800 strong professionals, working around the Group, spanning 15 countries around the world. We remain squarely at the intersection of travel, financial services and loyalty, and I remain extremely optimistic about the strategic attractiveness of that privileged position as I look to the future.

TCG oversees a diverse portfolio of businesses across the world and each of our five operating companies, have each made meaningful progress in the year ended 30 April 2024, against the strategies they have pursued.

Today, Collinson International Limited (CIL) remains the largest operating company within the group. Its strong competitive position will be maintained by not only continuing to focus on its core lounge product but to evolve into driving engagement and customer loyalty for our clients through fostering a seamless travel experience through significant investment in its platform. Airport Dimensions Holdings Limited remains one of the Group's fastest growing businesses. Its goal is to build a market leading airport hospitality business with a primary focus on airport lounges that not only compliments CIL but also is well positioned to serve the increasing global demand for quality lounge experiences in its own right. I remain excited by its growth potential.

In terms of fast-growing businesses, Valuedynamx Holdings Limited (Valuedynamx) achieved a significant number of milestones in the year ended 30 April 2024. These milestones further establish Valuedynamx as a market leading player in the delivery of loyalty commerce-based rewards in the United Kingdom and is well placed to establish similar positions in other geographies across the world. The opportunity of this business also remains attractive, especially given our history in loyalty and travel.

One of our long-standing businesses, Collinson Insurance (Holdings) Limited (CIHL), the Collinson Insurance Division, has also seen strong growth and continues to progress building a platform at scale, whilst driving improved efficiency. This has been achieved while locking in contract renewals from major existing clients as well as winning some significant new clients, further cementing its leading position in the travel insurance domain across the UK and Europe.

To help maintain our entrepreneurial spirit, we have spent time in the year ended 30 April 2024, investing in building a deeper set of investment capabilities in Collinson Investments Limited, starting by putting in place a dedicated CEO and making a small number of internal and external hires. These decisions reaffirm our desire to continue to deploy targeted capital into the rapidly evolving travel sector. In our journey to own and operate some of the world's leading specialised companies in the travel sector, we continue to prioritise values that transcend profitability. Our commitment to Environment, Social, and Governance (ESG) reflects our belief in the ethos of 'good beyond profit'. You can delve deeper into our ESG approach on our official website.

As travel returns to some sort of normalcy, the hard work undertaken in the rollercoaster period that was the wake of the pandemic, has positioned TCG once again in a unique position to redefine and elevate the travel experience. We look forward to another year of sustained growth, meaningful innovations, and a reinforced commitment to our shared values.

Colin Evans, Chairman

Strategic report continued

The Directors present the strategic report for the year ended 30 April 2024.

Review of the Business

The Collinson Group Limited (the Company or TCG) is a holding company with an ambition to own and operate some of the world's leading specialised companies in the travel sector, as measured by customers serviced, revenue and profitability, and brand value. TCG is domiciled in the United Kingdom and its corporate headquarters are in London, England.

The Company and its subsidiary undertakings (together referred to as the operating businesses or the Group) currently operate through five intermediate holding companies; Collinson International Limited (CIL), Collinson Insurance (Holdings) Limited (CIHL), Airport Dimensions Holdings Limited (Airport Dimensions), Valuedynamx Holdings Limited (Valuedynamx) and Collinson Investments Limited (CINV). CIL houses our largest businesses and includes the Travel Experiences and Loyalty operations. CIHL is the holding company for our Insurance and Assistance business. CINV is the arm of our Group that focuses on strategic investments and partnerships, primarily in cutting edge technology and experiences associated with the travel sector. Airport Dimensions designs and operates airport lounges and wider experiences globally. Valuedynamx is a global provider of curated data-driven omni-channel purchase rewards.

TCG's operating businesses are primarily managed on a decentralised basis, but with a select number of shared functions in place that integrate the operating businesses together. Decisions relating to external funding, capital allocation, investment activities, centralisation of shared functions and selection of Executive Directors is ultimately the responsibility of TCG.

TCG is also responsible for setting Group wide policies relating to risk, culture and behaviours of its people, and our approach to Environment, Social and Governance (ESG), details of which are provided within our ESG Report, a full copy of which can be found at <https://www.collinsongroup.com/en/corporate-responsibility>.

Our people are an essential and integral component of the operating businesses. At the end of April 2024, our operating businesses employed approximately 1,800 people across 15 countries. Our People engage in a wide variety of occupations across the operating businesses but where practical, a standard governance framework and policies are adopted. Our People Policies align to our culture and values to provide, among other things: a safe and inclusive work environment; competitive compensation and benefits; incentives to recognise and reward performance; training, learning and career advancement opportunities; and hiring practices intended to identify qualified candidates and promote diversity and inclusion in the workforce.

Strategic report continued

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 three 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 Global Audit Committee, which is chaired by an Independent Non-Executive Director, reviews the adequacy of controls, improvement plans and assurance reports from Internal and External Audit.

Chaired by an Independent Non-Executive Director, the Global Risk Committee reviews the key strategic risks likely to impact the business objectives, agree action plans and provides escalation to the Board where appropriate. The following list highlights some of the principal risks identified by the Global Risk Committee:

Risk	Mitigation
<p>Cyber security</p> <p>Threat of phishing, ransom, hacking, viruses, or unauthorised data breaches; and unintentional loss of controlled data by authorised users</p>	<ul style="list-style-type: none"> • Investment in the latest Cyber Security controls, tools, and technology • Targeted specialist hires in Cyber Security team • Training and Awareness campaigns • Expansion of our Information Security Management System
<p>Resilience Risk</p> <p>Ability to recover from a disruptive event and maintain operations during and after such incidents</p>	<ul style="list-style-type: none"> • Infrastructure investment which is providing ongoing improvements of our disaster recovery controls • Implementation of adaptive and flexible processes that can be quickly modified in response to changing circumstances • Review of our Business Continuity and Crisis management plans • Continuous improvement of our methodology alongside the building of our resilience culture across the organisation

Strategic report continued

Managing Risk (continued)

Risk	Mitigation
<p>Loss of Key client</p> <p>Key client dependency leads to financial risk exposure should a client remove themselves from CIL</p>	<ul style="list-style-type: none"> • Development of issuer relationships to drive provider preference to CIL products • Development of new products and services to drive additional client and ancillary revenue streams • Partnership strategy redefined to build strong relationships with the network providers
<p>Regulation and Governance</p> <p>Failure to comply with legal and regulatory obligations including financial services, financial crime, data protection and corporate governance</p>	<ul style="list-style-type: none"> • Dedicated Risk, and Governance functions providing support and advice, training and awareness, oversight and assurance, horizon scanning, and remediation programmes as required • Global Risk Committee provides the Board with regular information on the risks and incidents across the business
<p>Macroeconomic Risk</p> <p>The financial risk to the business of macroeconomic events such as the conflict in Russia, political changes, travel patterns and labour markets</p>	<ul style="list-style-type: none"> • Robust forecasting and planning cycles, comprising a long-range plan, annual budget and in-year forecasts • Data and insights tracking customer behaviour and travel volumes • The impact of inflation has a possible impact on lounge pricing which is managed through our strategic relationships • Horizon scanning for key external risks and events

Our risk landscape has seen profound changes and as a business we face a variety of global threats, driven by geopolitical tensions, environmental challenges, and technological advancements.

These risks are all interconnected, and they have required us to adopt a comprehensive, multi-faceted strategy to address them effectively. Our Risk Management function has undergone substantial change which is reflective of the new types of risk that we face. The risk management framework that has been developed and adopted is a robust governance framework that is essential to mitigate these challenging risks and to enhance our resilience in the face of our evolving risk landscape.

An integral part of this risk management framework is the way that we manage climate risks. We continue to improve and develop our climate change strategy. This ensures that it represents best practice, is proactive in its activity, and supports our desire to make a positive and sustainable difference in our ways of working.

Our ESG strategy is discussed further under our ESG Report from page 32. The Collinson Group Limited Board do not foresee any short-term impact from climate change risk.

Strategic report continued

Our Strategic Framework

The ambition of The Collinson Group Limited and its subsidiaries (the Group) is to own and operate some of the world's leading specialised companies in the travel sector, as measured by customers serviced, revenue and profitability, and brand value. Underpinning this ambition is a firm belief that our responsibility goes beyond bottom line performance and the concept of doing 'good beyond profit' is core to our values.

Our strategic framework is built around three priorities which drive the focus and direction of the Group.

Owning attractive businesses: the Group is focused on owning attractive businesses or businesses that have the capacity to become attractive under the Group's ownership. When assessing how attractive a given business is, The Group will look for the following factors to be present:

- I. Products or services that are loved by customers.
- II. Competitive cost structures.
- III. Good growth prospects.
- IV. Run by motivated and passionate employees.
- V. Geographically agnostic.

Focused on competing within our core markets: the Group's operating businesses compete in the following spaces:

- I. Offering travel loyalty benefits, with a concentration in financial services clients.
- II. Owning, developing and managing the delivery of airport experiences to passengers.
- III. Personal lines insurer with a market leading position in travel insurance.
- IV. Provision of personalised, targeted, data-driven online and offline purchase rewards.

Supported by an active parent company: the Group believes that through its ownership, additional value can be created for its operating businesses than they could otherwise achieve by themselves. Accordingly, the Group takes an active role in ensuring:

- I. Disciplined capital allocation.
- II. The setting of challenging financial and non-financial targets.
- III. Support is given to innovation to drive value.
- IV. Incremental revenue is generated through cross-selling.
- V. A platform of enabling services is available to operating businesses to drive efficiencies.

Strategic report continued

Our Operating Businesses

Collinson International Limited

Collinson International Limited (CIL) operates the world's first and largest independent airport lounge membership programme, Priority Pass, and alongside sister programmes, LoungeKey and Mastercard Airport Experiences, reach a combined consumer base of many million travellers across 154 countries. Within CIL, we also offer a range of loyalty consulting services, which builds on a 30 plus year history of loyalty management experience and leadership.

In the year ended 30 April 2024, the sustained resurgence in demand for air travel and the continual offering of airport lounge access as a consumer benefit valued by credit and debit card holders, saw CIL achieve a record number of airport lounge visits that in turn drove strong financial performance. Looking ahead, we will continue to reinvest our profits to build and develop the platform and suite of products in order to generate long-term reliable returns. We remain of the view that the ingredients of access to millions of customers, an incredible client base, a global network of partners supported by the scale, skills and global capability, are all defensible and reliable competitive advantages that should help us achieve our growth ambitions.

Collinson Insurance (Holdings) Limited

Collinson Insurance (Holdings) Limited (CIHL) hold the Collinson's Insurance division (CID) and contains both a UK and EU (Malta based) insurer providing Travel, Health and other Personal Lines insurance distributed mainly via affinity partners brands as well as a direct to consumer travel insurance brand, Columbus Direct, a market leader in the UK and Italy, as well as being a distributor of non-risk travel delay products.

In the year ended 30 April 2024, several significant strategic components were delivered. We have protected all key affinity clients that were scheduled to renew with new long term contractual arrangements in place. Significant growth was driven across the insurance business from existing clients across all lines of business and a number of new clients have been won and implemented across our Travel, Multi Lines and Smart Delay business areas. We have embraced the Consumer Duty regulatory initiative within the UK for the benefit of our customers through improved outcomes and customer support whilst also demonstrating to our existing and prospective clients, our commitment to delivering high quality products and services. The strategic focus on being more capex efficient has supported our continued growth whilst enabling the business to retain more risk. We have also been able to capitalise on macro conditions which have driven strong investment returns on higher cash balances. We have made significant further progress on our data and insights strategy which is supporting a more sophisticated approach to pricing and underwriting. As a result, the insurance business is well placed for further profitable growth as well as seeking products and geographies that provide diversification benefit and continue to fit with its risk appetite.

Airport Dimensions Holdings Limited

Airport Dimensions Holdings Limited (Airport Dimensions) designs, builds, and operates shared use airport lounges and other airport experiences; offering an enhanced experience for travellers and new revenue streams for airport operators. In the year ended 30 April 2024, Airport Dimensions continued its strong growth trajectory, welcoming millions of guests across its network and firmly establishing itself as a global leader in airport experiences and hospitality.

Strategic report continued

Our Operating Businesses (continued)

Airport Dimensions Holdings Limited (continued)

Groundbreaking new lounge locations were opened in the United States in LaGuardia, New York, Dulles, Kennedy and Washington, in partnership with JP Morgan Chase and at London Luton in the United Kingdom, and through our partnership with Swissport GB Limited. Airport Dimensions also announced a partnership with SSP TFS HK Lounge Limited and Travel Food Services Pvt. Ltd. to develop a new lounge in Hong Kong opening in 2024. In the year ended 30 April 2024, Airport Dimensions successfully secured 10 new locations for lounge and experience development and additional location lease extensions and space expansions.

In partnership with Servy and Unibail-Rodamco-Westfield (URW), Airport Dimensions deployed its revenue growth and customer engagement platform, Connecta at Los Angeles World Airports and continued the development and deployment of digital assets across its lounges, enhancing guest experience, driving operational performance and presenting wider revenue growth opportunities. Supporting Airport Dimensions long term commitment to highest Environment, Social, and Governance (ESG) standards, its upcoming lounge, The Club, San Francisco airport, achieved coveted Leadership in Energy and Environmental Design (LEED) Gold status. Airport Dimensions' commitment to service, quality experience was recognised with 12 industry and consumer awards throughout the year ended 30 April 2024. At the completion the year ended 30 April 2024, Airport Dimensions had 58 locations open with a strong pipeline of confirmed new locations under development.

Valuedynamx Holdings Limited

Valuedynamx Holdings Limited (Valuedynamx) enhances customer engagement by leveraging data analytics, technology platforms, and targeted marketing to deliver personalized offers and rewards to clients and their customers. The extensive network of over 50,000 retail and travel partners, combined with powerful technology, creates targeted, merchant-funded rewards that drive meaningful customer interactions both online and in-store.

In the year ended 30 April 2024, Valuedynamx launched with Nectar, the largest UK coalition program, and introduced a new product in five global markets for Emirates airline, enabling Skyward members to redeem miles for digital gift cards with hundreds of brands. Sales from existing clients grew by 20%, with customer spend through our multiple platforms surpassing £0.9billion annually. Valuedynamx secured multiple new sales in key markets whilst exiting low-performing clients, providing a platform for future growth and there was continued investment in key product lines as the focus on achieving scale through volume in primary markets and sectors continues to remain the goal.

Collinson Investments Limited

As part of Collinson Investments Limited (CINV) CINV's strategy to build a seamless traveller experience and expand the end-to-end travel journey, CINV has made a number of strategic investments in companies representing leading innovators in the airport and travel experience. CINV's approach is to make minority investments in start-up/scale up businesses aligned to its goals, offering both strategic and practical support for the business, while taking a hands-off approach to day-to-day management and direction.

During the period, CINV made one new investment, in a joint venture with WithU Holdings Limited. The joint venture will invest in building and developing a digital health and wellness product designed to aid travellers with their health and fitness regimes when travelling.

Strategic report continued

Results and Performance

The primary quantitative Key Performance Indicators (KPIs) that the Group use to monitor its financial performance include revenue, gross margin, operating profit, underlying operating profit, EBITDA and certain tax and treasury related performance measures. These are set out below.

Overall, the Group has seen significant growth in revenue in the year ended 30 April 2024, driven by a continued increase in global travel and growth in the Travel Experiences lounge network, including from our own operated lounges in Airport Dimensions. There has also been a continued focus on cost containment and efficiency improvements to mitigate the impact of inflationary pressures.

Group revenue and gross profit

Group revenue increased by 34% to £1,536.4m (2023: £1,144.0m) with gross profit of £244.9m (2023: £201.7m). The year-on-year increase was primarily driven through Collinson International and Airport Dimensions, which benefitted from the continued increase in travel and demand for travel related products. Activity in Insurance and Valuedynamx also continued to show strong growth in line with our expectations.

Gross margin in the year ended 30 April 2024, was 16% (2023: 18%), with the decrease largely due to a change in product mix with Collinson International growing its share of total revenue, and although Insurance revenues increased by 28% the gross margin declined year on year as a result of marginally higher loss ratios in the year. Despite continued inflationary pressures, the Group has delivered successful price and cost management through proactive dialogue with our customers and suppliers.

Group operating profit

Reported operating profit was £47.9m (2023: £18.4m). The increase in reported operating profit in the financial year was as a direct result of the improved revenues, partially offset by our ongoing investment in finance transformation, our people and product propositions.

Underlying operating profit

	2023-24	2022-23
	£m	£m
Underlying operating profit		
Operating profit (as reported)	47.9	18.4
Non-underlying items:		
Impairment of tangible and intangible assets	1.9	2.5
Reversal of impairment on tangible and intangible assets	-	(0.4)
Impairment of other assets	2.9	1.7
Restructuring costs	-	1.9
Other non-underlying items	-	(0.3)
Foreign exchange loss	3.1	5.2
Underlying operating profit ⁽¹⁾	55.8	29.0
	%	%
Reported operating margin	3.1	1.6
Underlying operating margin	3.6	2.5

(1) Underlying operating profit is a non-GAAP financial measure. It excludes certain non-trading items, including fluctuations in realised and unrealised foreign exchange and other one-off costs so as to present trading performance in a consistent manner year-on-year.

Strategic report continued

Results and Performance (continued)

The Group's underlying operating profit of £55.8m (2023: £29.0m) reflects the strong growth in our underlying business, and the improved underlying operating margin of 3.6% (2023: 2.5%) reflects our ongoing efforts to drive operational efficiency. The impairment in tangible assets in the year ended 30 April 2024 was largely due to the delayed opening and higher than expected costs associated with one of our airport lounges. The impairment in other assets is related to the carrying value of loans to certain investees within the Collinson Investments arm of the business. Also excluded from underlying operating profit are fluctuations in foreign exchange gains and losses, which are expanded upon below.

Finance income and expense

Net interest expense, excluding gains and losses on derivative financial instruments, totalled £2.1m (2023: £5.2m). Interest expense is primarily associated with our term loan and acquisition facility which increased from the prior financial year, due to higher interest rates and additional drawdowns. We were able to largely offset the interest expense increase through placement of available cash on money market funds and overnight deposits.

The Group continued its foreign exchange hedging policy during the year ended 30 April 2024, and executed Sterling and Euro forward exchange contracts during the year. The current policy is to hedge 75% of the exposure within the first 6 months, 50% within 6-12 months and 25% within 12-18 months ahead, for Sterling and Euro currencies. Net (losses) gains on FX forwards during the financial year totalled £2.3m loss (2023: £6.4m gain), of which £1.3m loss (2023: £5.8m gain), related to contracts not yet settled. The Group hedging policy is continuously reviewed and adjusted as necessary.

Taxation

The current year's effective tax rate (ETR) is 21.5% (2023: 28.3%) based on profit before tax of £46.1m (2023: £21.6m). The Group's ETR was adversely impacted by non-deductible expenses in the UK and the non-recognition of losses incurred in Australia, China, Singapore, and France. Conversely, the ETR was beneficially affected by the recognition of deferred tax on timing differences which had previously not met the criteria for recognition and lower tax rates in overseas jurisdictions, such as, the USA, Hong Kong and the United Arab Emirates.

Cash flows

Total cash and cash equivalents of £272.9m at the end of the financial year represent a £84.1m increase from last year. The increase in cash was largely attributed to cash generated from operations (£89.3m), which benefited from positive working capital movements (£37.9m benefit) largely driven by an increase in business activity in our Travel Experiences, Airport Dimensions and Insurance businesses. These cashflows were slightly offset by net outflow associated with tax receipts and payments (£12.0m). The net inflow from investing activities (£7.2m) also contributed to the higher cash balances and was primarily due to £20m deposits with credit institutions maturing and being reinvested in money market investments, partially offsetting outflows associated with our ongoing buildout of our airport lounge portfolio and investment in our IT infrastructure. Cash used in financing activities (£10.7m) largely comprised interest on the Group's long-term financing facilities. Cash and cash equivalents includes restricted cash of £52.6m (2023: £33.1m) held on behalf of clients that is legally restricted and not available for use by the Group.

Strategic report continued

Results and performance (continued)

Financing

During the financial year the Group had access to its existing long-term financing agreement, which includes a Term Loan of up to £50.0m and an Acquisition Facility of up to £50.0m, both of which are due to be repaid in July 2026. In addition, during the financial year the Group maintained a revolving credit facility (RCF) of £12.5m, of which £5.0m is earmarked for use on letters of credit. As at 30 April 2024, we had drawn £50.0m from the Term Loan, £17.0m from the Acquisition Facility (with £33.0m remaining at our disposal) and utilised £2.6m of the RCF for letters of credit. As detailed in note 33, in May 2024 the Group signed revisions to its borrowing facilities, which included an extension to the period that the Group has access to the Acquisition Facility up to June 2025. As part of these revisions the Group also agreed an increase to its RCF up to £50.0m, with £10.0m earmarked for use on Letters of Credit.

Foreign exchange and interest rate risk management

The Group operates its global exposure to fluctuations in exchange rates, most significantly to the US Dollar, Pound Sterling, Hong Kong Dollar and Euro currencies. The Group has a foreign exchange hedging program to manage the FX exposure associated with its foreign operations and throughout the year the Group has taken out several strategically placed foreign exchange forward contracts to hedge the Group's US Dollar, Pound Sterling and Euro exposure.

Five Year Performance

	2023-24	2022-23	2021-22	2020-21	2019-20
	£m	£m	£m	£m	£m
Revenue	1,536.4	1,144.0	732.7	369.8	1,039.6
Gross profit	244.9	201.7	151.5	97.9	187.5
Operating profit/(loss)	47.9	18.4	12.3	(34.7)	33.1
Foreign exchange (loss)/gain ⁽¹⁾	(3.1)	(5.2)	10.3	(7.7)	(0.3)
EBITDA ⁽²⁾	62.9	28.5	19.5	(28.3)	40.0
Cash and cash equivalents	272.9	188.8	164.9	77.7	133.4
	%	%	%	%	%
Gross Margin	16	18	21	26	18
Operating Margin	3.1	1.6	1.7	(9.4)	3.2

(1) Included in operating margin

(2) EBITDA is profit before tax, including realised gains on derivatives and excluding the effects of depreciation, amortisation, interest income and interest payable

Strategic report continued

Future Outlook

Passenger traffic has now caught up to 2019 levels, with Revenue Passenger Kilometres (RPKs), matching 2019 levels in February 2024. Growth in passenger demand is expected to continue, albeit at a slower rate than recent years. IATA are currently forecasting an 11.6% growth in RPKs for 2024 and growth in global passenger volume of 10.4%. Regionally, Asia Pacific will lead the growth among the regions, contributing to more than half of the global net gain in passenger numbers by 2043.

Against this healthy demand environment, there are several headwinds to demand growth that will require navigating. Firstly, 4.2 billion of the world's population in as many as 70 countries, will have gone to the polls in 2024, an unprecedented occurrence. Many of these elections will be taking place in a polarized setting and will be less than free. The policy outcomes of these elections could have a dramatic effect on economic growth. Secondly, the stickiness of prices and inflation taking longer to return to the target range set by central banks remains. To combat this, interest rates may need to remain higher for longer, hampering the level of disposable income individuals have available for recreational activities like travel. Finally, with the aviation industry committed to deliver net-zero CO2 emissions in air transportation by 2050, the industry will likely be required to absorb the rising costs of climate change to meet these targets. In a low margin industry, it is reasonable to assume that these costs will be passed on to the consumer, further increasing the cost of travel and potentially suppressing demand.

Our assessment of the macro environment leaves us cautiously optimistic about the outlook for the Group. The continuing strength in underlying demand suggests that the willingness to travel remains strong, in spite of the fact that the cost of travel likely to remain stubbornly high for the foreseeable future. However, the headwinds may deter public and private owners of airports to undertake large scale investment in airports, either to add new airport capacity or reutilise existing space to create additional spaces that can be used for physical airport experiences. This constraint on supply may restrict the ability of the Group to capture the full growth potential of the demand available and therefore maximise potential profits. Regardless, we remain confident that the Group has the right combination of assets to outperform its competitors and continue to sustain its market leading position, resulting in a sustainable level of long-term profits.

Section 172 statement

Director's statement of compliance with their 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 Group 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 Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

Our Stakeholders

The Directors consider the following groups as the Group's 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.

Strategic report continued

Section 172 statement (continued)

This is done through direct engagement, receiving reports from management and inclusion of stakeholder interests in Board papers as appropriate.

Our People - How we engage	Outcome of the engagement
<p>Diversity, Equity and Inclusion</p> <p>As a global business, we pride ourselves on the immense diversity of our talented and passionate people around the world, and firmly believe this diversity is a key factor in our success.</p> <p>At Collinson, we think of diversity as the collection of similarities and differences that we each always carry with us, based upon:</p> <ul style="list-style-type: none"> • Characteristics – These are the innate traits a person is born with and cannot change over time. They form the core of who a person is, regardless of their choices or experiences. This includes factors like race, ethnicity, age, sexual orientation, and disability. • Experiences – This type of diversity stems from the experiences people gain throughout their lives. Unlike inherent traits, these are learned behaviours or characteristics that develop over time, such as faith, education, and socioeconomic status. While influenced by inherent traits, experiential diversity evolves as individuals encounter unique life experiences. • Choices – Beyond inherent traits and experiences, our choices shape who we are. These include decisions like where we live, how we process information, and our worldview. For example, choosing to live in another country can lead to a deeper appreciation of different cultures. <p>Cognitive diversity is crucial for our business. With cognitively diverse teams, we can create products that resonate with a broader audience and achieve better results. Diverse perspectives allow us to approach challenges from various angles, helping us foresee potential issues. To maximise cognitive diversity, we must also ensure representation across different backgrounds and experiences, as these influence how we think.</p>	<p>To deliver our world-leading programmes, products and services that extend to over four hundred million people worldwide, our diversity is therefore essential in creating experiences that are relevant, accessible, and valuable for users around the world.</p> <p>Our new Global Director of Diversity, Equity, and Inclusion (DEI) conducted a full review of our pre-existing DEI strategy, and introduced revisions designed to enhance cognitive diversity throughout Collinson, and to truly drive the changes we wish to see.</p> <p>Our new DEI strategy centres around four key pillars:</p> <ul style="list-style-type: none"> • FIND – How we recruit highly qualified underrepresented people who contribute to the diversity, and the cognitive diversity of our internal community • GROW – Providing resources that support the career growth and development of underrepresented people, allowing everyone to thrive • KEEP – Creating a culture where everyone is seen, heard and valued by normalizing normalising inclusive behaviours • EMBED – Applying a diversity, equity and inclusion lens to policies, programmes, and products to achieve our mission and drive the business forward <p>Under these pillars we are developing tangible actions to help drive change within our business.</p>

Strategic report continued

Section 172 statement (continued)

Our People - How we engage	Outcome of the engagement
<p>Wellbeing inc. flexible working, family matters etc.</p> <p>We are committed to ensuring that within Collinson, there is an absence of significant pay differentials, considering variables such as role, level, location performance, and other pertinent factors.</p>	<p>During the year ended 30 April 2024, we conducted a comprehensive global pay and benefits equity analysis. From this exercise, we have commenced using Compa Ratios alongside performance metrics when reviewing individual reward. Through this approach, we will continue to take proactive action to ensure any identified areas of inequity in reward are addressed.</p> <p>Beyond core remuneration, our approach to benefits provides our people and their families with resources to help them thrive. We offer a wide range of benefits including private healthcare and wellness support, family building and care resources, retirement savings, and Priority Pass membership.</p> <p>Our Family Matters programme is our way to support colleagues wherever they are on life’s journey and to foster an inclusive family culture. Under this programme, through the financial year, we have enhanced our maternity and paternity policies and introduced adoption and carers policies to support our people at different stages of life.</p>
<p>Communication and Engagement</p> <p>We are committed to listening to and learning from our people to create an inclusive workplace. In new hire onboarding, we introduce the importance of Diversity, Equity, and Inclusion at Collinson, alongside the family culture we seek to foster, and we reinforce this at various touchpoints on an ongoing basis.</p>	<p>We conduct an annual colleague engagement survey to understand how people feel working at Collinson, and in the financial year 2024, we were delighted to see an 85% participation rate (up from 65% in the 2023 year-end) and an overall engagement score of 80% (up from 76% in 2023 year-end).</p> <p>Members of the leadership team host quarterly townhalls open to all people across Collinson, where strategic plans and performance updates are shared, and where all our people are able can ask questions. Smaller townhalls with an operating company or team focus are also held on a frequent basis, following a similar pattern.</p> <p>We also run Speak Up, a mechanism for our people to raise any concerns for review by nominated representatives of our leadership.</p>

Strategic report continued

Section 172 statement (continued)

Our People - How we engage	Outcome of the engagement
<p>Talent Development</p> <p>We know it is our people that fuel our success, and we are committed to helping them grow and drive value across our business. We believe in empowering our people to develop and grow through skills and experiences that ultimately realise their career aspirations and by fostering a culture of continuous learning and growth.</p>	<p>Our flagship Agility Gym programme provides colleagues with over 90 sessions to help them grow, through skills-based training relevant to their role, or softer skills to achieve greater wellbeing or to adopt a growth mindset.</p> <p>Performance at Collinson is a continual process. We operate in 120-day sprints, aligned to tri-annual objectives reviews and career development discussions.</p> <p>In the prior financial year, we launched our new Career Framework, a comprehensive levelling process that maps roles and skills into a consistent model, helping all our people to understand where they are within their careers, and creating a consistent way to give feedback and evaluate performance.</p> <p>In the 2024 financial year, we added Skills Mapping, a structured process that identified the skills associated with success in each role and a tool for our people to map existing capability alignment. This allows them to identify areas for development and focus on where they can make the biggest strides forward.</p> <p>We will be seeking to drive this forward under our ESG Strategy, as we focus on building skills for performance and progression. During the financial year ending 30 April 2025, we will be launching our Career Pathways programme, building on the Career Framework and Skills Mapping, to ensure our people can plot a course to meet their aspirations and take ownership of leading their success.</p>

Strategic report continued

Section 172 statement (continued)

Our Clients, Customers and Partners - How we engage	Outcome of the engagement
Sharing the Collinson proposition and our values with prospective clients	<p>Creates a strong cultural alignment with new clients, enabling a strong foundation to build sustainable partnerships.</p> <p>We recently engaged with a partner where we are now working with them across six European countries for Travel Insurance. Great collaboration and a strong cultural fit right the way through from first contact to go live has created a very strong partnership with a client who is very positive about the end-to-end process and how we have engaged and delivered for them.</p>
Pro-active and collaborative account management of existing clients with a responsive, solution-oriented approach	<p>Clients appreciate our speed and quality of response and also the quality of our expertise across our teams. This drives a very strong retention of existing clients, building long lasting partnerships.</p>
Meetings and events	<p>Regular engagement enables constant feedback from clients, as well as ensuring that we help our clients to navigate their way through market conditions, to also identify further opportunities for growth or, how to improve the performance of contractual arrangements.</p>
Industry Forums	<p>Strong presence at industry forums, building our reputation as experts in our field whilst giving clients further confidence that they are working with an expert organisation for them and their customers.</p>
Meetings both face-to-face and externally	<p>Feedback received from clients contributing to company product and organization strategy to deliver in line with client expectations.</p>
Contract negotiation, ongoing client management engagements, problem solving	<p>Client retention and growth.</p>
Regular Client Engagement Survey	<p>Continued improvements by incorporating client needs and feedback.</p>

Strategic report continued

Section 172 statement (continued)

Our Regulatory Bodies - How we engage	Outcome of the engagement
<p>Engagement with Financial Services Regulators</p> <p>The Board of Directors is committed to maintaining a strong and constructive relationship with our financial services regulators, including the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA) and the Malta Financial Services Authority (MFSA). These ongoing engagements are a key aspect of our governance and compliance framework, ensuring that we operate within the regulatory requirements and uphold the highest standards of integrity and transparency in our operations.</p>	<p>Enhanced Regulatory Compliance: Through continuous engagement, we expect to achieve a higher level of compliance with regulatory requirements, reducing the likelihood of sanctions, fines, or other regulatory actions.</p>
<p>Regular Communication and Collaboration</p> <p>We maintain regular communication with our regulators through formal and informal channels. This includes periodic meetings, consultations, and reports where we discuss our strategic plans, risk management practices, financial performance, and compliance with regulatory requirements. These interactions allow us to receive timely feedback from our regulators and ensure that our operations align with their expectations.</p>	<p>Improved Risk Management: Our interactions with our regulators will lead to strengthened risk management practices, ensuring that we remain resilient in the face of financial or operational challenges.</p>
<p>Compliance with Regulatory Changes</p> <p>As part of our commitment to regulatory compliance, we actively monitor and respond to changes in the regulatory environment. The Compliance Function undertakes frequent horizon scanning to identify changes in the regulatory landscape and to support and oversee relevant changes through the various stages of implementation and embedding. Where necessary, we adjust our policies, procedures, and business practices to ensure full compliance. This proactive approach helps us to mitigate risks and avoid potential regulatory breaches.</p>	<p>Customer Trust and Market Confidence: Engaging with our regulators on conduct matters and embracing their conduct led initiatives will enhance customer trust and confidence in our services, contributing to our reputation as a responsible, and reliable financial services provider.</p>

Strategic report continued

Section 172 statement (continued)

Our Regulatory Bodies - How we engage continued	Outcome of the engagement
<p>Risk Management and Prudential Oversight</p> <p>Our engagement with the PRA and MFSA particularly focuses on prudential oversight, ensuring that we maintain a strong capital base, effective risk management systems, and sound governance structures. We provide the PRA and MFSA with regular updates on our capital adequacy, liquidity, and overall financial health. This ongoing dialogue helps us to identify and address potential risks early, contributing to the stability and resilience of our operations.</p>	<p>Proactive Identification of Issues: Regular dialogue with regulators enables us to identify and address potential issues early, minimising the impact on our business and stakeholders.</p>
<p>Customer Protection and Market Integrity with the FCA and MFSA</p> <p>Our focus is on ensuring that our products and services meet the highest standards of fairness, transparency, and customer protection. We collaborate closely with the FCA and other industry bodies to ensure that our conduct reflects the principles of delivering good customer outcomes, preventing financial crime, and promoting market integrity. We believe that this engagement helps to build trust with our customers and other stakeholders.</p>	<p>Alignment with Best Practices: Our collaborative approach with regulators ensures that we remain aligned with industry best practices, promoting sustainable growth and long-term success.</p>

Strategic report continued

Section 172 statement (continued)

Our Regulatory Bodies - How we engage continued	Outcome of the engagement
<p>In Insurance, we have regular communication with customers via sales, service and claims journeys to influence product design and operational strategies such as online claims handling.</p>	<ul style="list-style-type: none"> • Customer Surveys: By gathering insights in three key areas—Customer Satisfaction, Customer Effort, and Net Promoter Score—we gain a comprehensive understanding of customer sentiments. These surveys include verbatim feedback, highlighting specific areas for improvement in service delivery and product offerings. • Desired Outcomes: At each point of the customer journey, we have identified desired outcome. By reviewing customer feedback, we can measure our performance against these outcomes and pinpoint areas needing enhancement. • Customer Complaints / Compliments and Root Cause Analysis: Monthly root cause analysis of customer complaints / compliments, helps us identify recurring issues and opportunities for process and product improvement. This proactive approach ensures that we address underlying problems and continuously refine our strategies. <p>By integrating these insights, we can tailor our product design and operational strategies to better meet customer needs, ultimately enhancing the overall customer experience.</p>

Strategic report continued

Section 172 statement (continued)

Our Shareholders - How we engage	Outcome of the engagement
<p>We engage with our Shareholders through an annual two-Day Board Strategy Review in December. Each of the Operating Companies are invited to present their proposed business strategies to the Board for approval. The Chief Strategy Officer also presents the Group Strategy for approval.</p> <p>The Group also runs an Annual Group Strategy Offsite, where the executive leaders of each of the Operating Companies join the Board of Directors to discuss the progress of their strategies but also participate in Group Strategy discussions.</p>	<p>The Group has approved and endorsed the recommended strategies presented and proposed to them in the Board Strategy Review in December. A key outcome of those reviews was a recognition that improving the return on invested capital by making better capital deployment decisions will be a primary long-term objective for the Group. Achieving this will allow the shareholders to more confidently achieve its stated desire of generating long term sustainable returns that can be shared amongst shareholders, employees and charitable causes.</p> <p>Three of the six Board Members are not only shareholders of the Group but also Executive Directors, in charge of distinct parts of the Group. Through regular formal Board meetings and regular informal dialogue with other key Management personnel across the Group, they remain sufficiently engaged with the Group.</p> <p>Further, the participation of the Board at the Annual Group Strategy Offsite, was well received. Each of the Board members were actively engaged across all component parts of the offsite.</p>
Our Communities and Environment - How we engage	Outcome of the engagement
<p>We have developed a holistic ESG Strategy</p>	<p>We engaged a specialist 3rd party sustainability consultancy to support us in conducting a formal Double Materiality Assessment and in developing our holistic ESG Strategy to be launched in FY25. Within this strategy we will share focus areas and targets for action. This will be published in our standalone FY24 ESG Report.</p>
<p>We deliver positive community impact through inclusive hiring</p>	<p>We utilise diverse suppliers across our business where appropriate, especially through The Club brand in the USA, where we work with accredited ACDBE suppliers.</p> <p>We work with Shadow Careers in South Africa to train and recruit unemployed school leavers and excluded youth. We have taken an initial cohort of 20 shadows, with an ongoing retention rate of 45%.</p>

Strategic report continued

Section 172 statement (continued)

Our Communities and Environment - How we engage	Outcome of the engagement
<p>We continually develop our capability to measure and track our Greenhouse Gas emissions</p>	<p>Working with a specialist 3rd party consultancy, we conducted our first full global Greenhouse Gas inventory, which will act as our baseline emissions for setting Science Based Targets, and to identify emissions hotspots for which reduction pathways will be developed. The process to develop our inventory has also given us valuable insight into data gaps and where data quality improvements can be made to support the future data collection process.</p>
<p>We deliver initiatives to reduce our environmental impacts</p>	<p>We are developing new lounges with sustainability a core consideration. The Club Lounge in San Francisco airport has opened and is LEED Gold Certified. The new Kyra Lounge in Hong Kong (through our JV with SSP TFS HK Lounge Limited (SSP) and Travel Food Services Pyt Ltd (TFS) integrates a range of sustainability measures including an innovative daylight harvesting system.</p> <p>We are reducing the impact of our operations. We have removed all printed lounge directories and brochures for Priority Pass members, and ensured all membership cards are produced using at least 70% recycled plastic. We have right sized a number of our offices in line with our hybrid working patterns and have begun introducing renewable energy into our mix. We are implementing a new global corporate travel management solution to help track and reduce the impacts of our business travel.</p>

Strategic report continued

Section 172 statement (continued)

Our Communities and Environment - How we engage continued	Outcome of the engagement
<p>We drive community impact programmes to make a difference</p>	<p>Through our fundraising, charitable partnerships, corporate donations and volunteering we supported more than 300 charities around the world in the year ended 30 April 2024. We donated £185k to global emergency response, primarily through our partner, Save the Children.</p> <p>Our people delivered over 4,000 volunteering hours, both in work and in personal time, and company funded time has been increased from one to three days per annum for all our people.</p> <p>We have long term charitable partnerships with Coach Core and Save the Children, and we support the Pathways to Birmingham programme at the University of Birmingham.</p>
Our Suppliers - How we engage	Outcome of the engagement
<p>We retain a Group Procurement function to lead our third-party engagement processes</p>	<p>We have a formalised Procurement Policy, and Sourcing Toolkits, including our Expectations for Ethical Supply, that we ask all of our suppliers to sign up to.</p> <p>For material supply, we run formal sourcing processes, conduct due diligence on our suppliers, and have structured approval processes under the Delegation of Authority policy.</p> <p>We mandate a No PO No Pay policy across the Group to ensure all spend is controlled and we know which suppliers we are working with.</p>
<p>We seek to build longer term, strategic partnerships with our suppliers</p>	<p>We adopt supplier relationship management principles to stay connected with our suppliers and to drive both performance and innovation. We conduct formal review meetings, in a weekly, monthly, annual cycle and measure against formal SLAs.</p> <p>We encourage suppliers to propose innovative ideas, and have supported diverse suppliers and start-ups to help them grow within their markets.</p>

Strategic report continued

TCFD Report

In this, our second TCFD report, The Collinson Group Limited (TCG) has adopted the recommendations set out in both the TCFD framework, and the adapted UK CFD guidance, to assess our climate-related risks and opportunities and to carry out short and medium-term planning and scenario analysis. Understanding the impacts that climate change can have on our business and clients is a core aspect of building our strategy and ensuring our resilience, especially given our positioning within the travel industry. We shall evolve the maturity and coverage of our Greenhouse Gas (GHG) emissions reporting, our industry analysis, and our scenario planning over time and for subsequent disclosures. We include herein a summary TCFD Report, with a more detailed standalone TCFD Report made available on our website.

Governance

The TCG Board is accountable for our climate related strategy, risk management and reporting. Climate related risks are presented to the Board in quarterly meetings, and the Board reviews and approves the annual TCFD report. Leaders of each Operating Business are accountable for the management of identified climate related opportunities and risks. The TCG Strategy team is responsible for the development and management of our ESG strategy, which includes climate related issues. Further details of the Board and Strategy Team are found in the Governance section of this Annual Report from page 35.

TCG's Vice President (VP) of Procurement and ESG, is a member of the TCG Strategy Team, who are outlined on page 36, and is responsible for developing the ESG Strategy, driving sustainable action, and delivering reporting and disclosures. Relevant climate related issues are surfaced to the Board via the Strategy Team, or directly via the Chief Strategy Officer if more urgent attention is required.

Led by the VP Procurement and ESG, and consisting of the Senior Vice President (SVP) Group Strategy and Corporate Development, VP Risk, VP Financial Planning and Analysis, and the Group Sustainability Manager, an informal TCFD working group has been formed and is responsible for reviewing business strategy and risks in consideration of climate matters, and for producing the annual TCFD Report.

Strategy

Background

TCG's strategy is inherently linked to the evolution of the travel sector, and more specifically aviation. Global aviation accounts for circa 3.5% of effective radiation forcing and has become a highly controversial topic in climate debates, however notwithstanding this, market forecasts for the aviation sector, conducted by aircraft manufacturers, airlines, regulators and independent analysts all predict ongoing growth over the next two decades. The aviation sector as a whole is acutely aware of the pressing need to implement lower GHG emitting solutions, and new technologies are actively being developed, with a primary focus on sustainable aviation fuel (SAF) and hydrogen powered aircraft. Although not a material emitter in the context of the industry, TCG is committed to transitioning to net zero and to playing its part within the ecosystem to drive positive change through its sphere of influence.

Assessing Climate related risks and opportunities

In the current financial year we have enhanced our previous risk assessment, further adopting the guidance from the TCFD framework, and the adapted UK CFD guidance.

Strategic report continued

TCFD Report (continued)

Climate Scenarios

In order to assess our risks, we have developed and modelled two scenarios that consider the impact of a <2°C and a 3°C increase in temperatures, looking at transitional risks and both acute and chronic physical risks, and the short and medium term. We have currently set our time horizons as: Short-term (up to 2026); Medium-term (up to 2030); and Long-term (2030-2050).

These horizons have been chosen based on the length of our current business cycles, contracts and strategic transformation plans; and our belief in 2030 being an important milestone for the broader travel industry. By this date, many large organisations should have significantly reduced business travel if they are to meet published targets, and the use of sustainable aviation fuel in aviation (SAF) should have reached an important tipping point in terms of adoption, usage and scale of production. Alongside this, 2030 represents a checkpoint in the progress against the Paris Agreement commitments. Should aviation fall short of its progress metrics at this stage, it is feasible that further regulatory constraints or market-based instruments may be imposed.

Our scenarios provide a useful lens through which to assess our strategic direction and risks, and by no means represent a definitive future. We have, in fact, taken a highly conservative position under our 3°C scenario to stress test our business model. Furthermore, the most advantageous balance of volume and yield forms part of our general strategic review, irrespective of climate related impacts. Given the relative financial materiality of each of our Operating Businesses on TCG's financial performance and ongoing viability, our modelling has focused on risks and impacts to CIL and Airport Dimensions.

Scenario 1 – <2°C

This scenario factors the current climate trajectory over the time period and market indicators. Underlying consumer demand for travel remains strong. Travel recovery from the COVID-19 pandemic has been faster than all market predictions, and in the year ended 30 April 2024, we saw record visit volumes. Whilst this has been somewhat reflective of pent-up demand, it has served to highlight both the irrepressible human desire for global travel, and the share of disposable income that people are willing to allocate for travel experiences.

Market predictions show a continued growth in overall travel volumes in the short and medium-term, albeit softening from the explosive growth witnessed over the last two years. It is likely that there may be some changes in industry mix. Leisure travel will likely continue to grow; however, business travel will be one to watch. In order to meet their Science Based Targets, many large corporates are seeking to reduce their emissions from Business Travel. Whilst this can be delivered through overall reductions in travel, other levers will be used, such as travel on less emitting aircraft or transportation methods, and in lower airline booking classes. With less business class travel, there may be a correlating reduction in access to lounges through airline ticketing and status, thereby increasing demand for access through other channels, including card schemes. With increased travel in lesser comfort on board, there may be an increased desire for more premium in-terminal experiences. In the short to medium term, under Scenario 1 we assume the net effect is that volumes will continue to grow as forecast.

In terms of costs, we expect to see transition impacts flowing through over the modelled period. There is likely to be an increase in food and beverage costs, as lounges seek more localised and sustainably delivered offerings; labour costs may increase to ensure living wages are paid; airports may seek to pass on a proportion of their transition costs through concession fees; renewable energy may come at a premium until delivered at sufficient scale; and lounge construction costs may increase as more sustainable materials and methods are implemented.

Strategic report continued

TCFD Report (continued)

These transition costs will be implemented and ramped over time, as the global markets will move at different speeds, and some costs such as concessions and construction will only be impacted when lease renewals arise, or lounges reach their natural build or refresh cycles.

Scenario 2 – 3°C

Under Scenario 2 we assume that warming accelerates at more alarming levels and society must prepare for 3°C within the medium-term or shortly afterwards. There is growing alarm and global pressure to accelerate sustainable transitions. Aircraft manufacturers, airlines and sustainable aviation fuel producers cannot realistically progress any quicker than planned, and so increased pressure is placed on wider ecosystem providers to accelerate transitions. Anyone who profits from aviation is taxed to fund accelerated transitions. We therefore see more significant cost increases flow through during the modelled period, coupled with a lag period before they can be passed through to clients.

In addition, we assume that there may be further regulatory intervention and the introduction of market-based instruments to dampen demand, reduce emissions and slow warming. These actions, coupled with ethical consumer choices, significantly reduce demand towards the end of the medium-term modelled period, although this is partially offset by a market stimulation, with travellers who have reduced the frequency of travel now prepared to spend more when they do travel to secure a more premium in-terminal experience.

Analysis

The general change in market dynamics post the Covid-19 pandemic has required all providers of ancillary airport services to review and adapt their product offering, commercial structures and customer engagement strategies. TCG is similarly impacted, and we are progressing strategic transformation plans. Under this context, and with so many unknowns we have not currently conducted long-term modelling. We will seek to progress this in subsequent disclosures.

Our modelling over the short and medium-term shows that, whilst we would be materially impacted financially under both scenarios, and especially Scenario 2, our business would remain resilient to the outcomes and allow the sufficient time required to adjust our business model to align to the changing market and global dynamics.

Transition risks are most likely to have the largest impact in the medium-term, and we have plans within our overarching ESG Strategy related to these.

To protect against risks and to harness the opportunities climate change presents to TCG, we actively monitor tangible and sentiment-based data and insight. Our business is volume driven, and so we keep a close watch on demand and volumes at all times. With truly global coverage in our networks, our activity monitoring allows us to review consumer travel trends across geographies and segments on a constant basis, and to deep dive on behavioural motivators through our research. Combining this with independent market review data and regular client engagement, ensures we maintain a risk monitoring approach across the medium term.

Combining both a physical asset airport experience business, and an aggregated third-party access membership programme within our Operating Businesses, means that we can review material cost drivers and changes through twin lenses. With sustainability at the core, we can directly see the cost impacts of operating a more sustainable airport experience and use that insight for our wider business planning.

Strategic report continued

TCFD Report (continued)

Our metrics models allow us to gain market confidence on a time horizon longer than the time required to pivot our operating business prioritisation as required, providing overarching business resilience.

Risk Tables

Risk	Scenario	Timeline	Impact	Mitigation	Opportunity
Transitional risks					
Reduction in demand (Market): Business travel reduces to meet SBTs Leisure travel reduces due to eco-conscious behaviour Regulatory intervention or market-based instruments significantly reduce volumes	1 & 2	Short, Medium & Long Term		Market forecasts do not suggest this risk will materialise, at least not until 2030 and beyond, which is outside our current modelling.	A reduction in premium class airline travel or a reduction in the frequency of travel, could lead to an increase in demand from consumers for more premium airport experiences to provide additional comfort. TCG's business model is designed to address this market, and therefore this could be an upside.
	1 & 2	Medium & Long Term	Currently with a high volume, low margin business model, a material reduction in demand could result in unsustainable commercials unless accompanied by an appropriate reduction in overheads.	We will closely monitor travel patterns and demand profiles and adapt our business model as appropriate. We will continue to develop a model that can adapt to volume fluctuations, building on the approach taken as we navigated through the Covid-19 pandemic.	
	2	Medium & Long Term		We will engage with our clients & develop next generation products for the long term.	
Increase in supply chain costs and complexity (Market): A shift to more sustainable airport lounges (construction and service delivery) could see increased costs impacting both Airport Dimensions and CIL	1 & 2	Short, Medium & Long Term	A low margin business model leaves CIL especially sensitive to cost pressures, and significant upward pressure without a relative increase in revenue would stress our economic sustainability.	We continually monitor our cost base and work with our supply partners to generate both efficiencies and incremental revenues through broader offerings. We see climate related transition costs being effected over a phased period, providing time and opportunity to adjust revenue models to accommodate the increased costs.	Enhancing sustainability requires cross industry collaboration. This will allow us to form deeper relationships and connections, driving innovation and efficiencies.

Strategic report continued

TCFD Report (continued)

Risk	Scenario	Timeline	Impact	Mitigation	Opportunity
Transitional risks					
<p>Transition to product digitisation (Technology):</p> <p>Sustainability pressures require us to accelerate a transition to digital products, with the removal of physical membership cards in CIL.</p>	1 & 2	Short Term	Whist CIL has a fully digital offering today, and client adoption is growing, a full transition may need to be accelerated. This will require the untangling of various systems, processes, and deal constructs, which will require investment to deliver.	We have a digital product offering which we are actively working with clients to transition to in the short to medium term.	A fully adopted digital offering will allow greater connectivity, product enhancements and incremental revenue streams.
<p>Key client transitions away from travel as a benefit (Market):</p> <p>Sustainability pressures may see a key client move away from Travel as a card benefit in CIL.</p>	2	Medium & Long Term	If one of our key clients moves away from offering travel loyalty due to the climate impact of travel activity, we would see a significant impact to the current revenue base of CIL, with Airport Dimensions also being impacted.	<p>Loss of a key client remains a broader risk on our Risk Register, and we actively develop mitigation plans.</p> <p>In terms of specific climate drivers, we are working closely with our clients to understand the impact climate change could have on their business, future strategies, and business plans to adapt to the role we can play in driving shared and strategic value. In addition to this we are looking at ways to diversify our partner base to further mitigate any impact of this risk.</p>	Supporting travel benefits remains a central part of our client propositions, however the climate challenges allow us to focus on 2 key activities: firstly, developing our existing relationships with clients to build joint sustainable approaches to our offering and secondly, pushing us to be innovative and creative with both our new offerings and potential future partners in unexplored sectors.
Climate related legal cases.	2	Medium & Long Term	We recognise a very limited chance of being impacted by class action suits aimed at general travel industry, including through direct partnership with airlines.	We will continue to monitor for this but believe our inherent independence within the industry and position as a provider of ancillary airport services would make us unlikely to be targeted in this way.	No Opportunities Present.

Strategic report continued

TCFD Report (continued)

Risk	Scenario	Timeline	Impact	Mitigation	Opportunity
Physical Risks					
<p>Impact to airport lounges in high-risk areas:</p> <p>As we see more extreme weather events, we may see an increased impact on lounges in vulnerable areas (Acute and Chronic Risks).</p> <p>Rising sea levels may present a risk to any airports situated in low lying coastal locations (Chronic Risks).</p>	<p>1 & 2</p> <p>Outside modelled range</p>	<p>Short, Medium & Long Term</p> <p>Long Term</p>	<p>We could see destinations significantly reduce in attractiveness for travellers, with the potential to leave stranded assets in our owned and operated inventory, or we could see one-off events cause damage and destruction to our premises.</p>	<p>Potential physical risks have always formed part of our decision-making criteria when investing in new lounges. Where there are known risks, we integrate risk management measures into lounge designs. We will continually monitor our risk management approach and adapt it as necessary.</p> <p>With a global 3rd party lounge network driving its volume, CIL is materially protected from significant impact from extreme events isolated in a specific geography.</p>	<p>Proactive planning can help us identify the destinations of the future when determining when and where to invest.</p>
<p>Impact to operations and supply chain due to extreme weather events (Acute and Chronic).</p>	<p>1 & 2</p>	<p>Short, Medium & Long Term</p>	<p>With increased severe weather events there may be short term market shocks, severely impacting travel to, and assets, in certain locations.</p> <p>We offer insurance-based products including general travel insurance and our product Smart Delay which could see an increase in claims.</p>	<p>TCG operates at a global scale and hence any localised impacts are likely to be offset by increased activity in other areas in which we operate.</p> <p>We continually monitor events and conduct risk profiling to drive our insurance offerings.</p>	<p>Increased disruptive events present and opportunity for further insurance-based products, and for our ability to pivot our offerings to other geographies.</p>

Risk

Our risk management framework is included in the Risk section of this annual report on page 4. Climate-related risks are embedded in our Risk Register and are reviewed on a monthly basis by the risk function together with the ESG team. Risks are escalated to the Global Risk Committee (see Corporate Governance Statement, page 35)

Our overall view is that the identified risks present limited short to medium term impact for TCG and our current mitigation plans are adequate. As long-term risks materialise, we have appropriate measures in place to monitor and track them, and sufficient business lead time to adapt our strategy as appropriate.

Strategic report continued

TCFD Report (continued)

Metrics

TCG has not presently set direct targets related to the management of climate-related risks, and consequently does not monitor specific KPIs related to such targets. We do however believe that the monitoring and reduction of GHG emissions is an important measure of progress towards managing climate related risks and opportunities. We have therefore committed to developing Science Based Targets by 31 December 2025, in order to track towards defined direct targets thereafter.

Working towards this, during the year ended 30 April 2024, we have completed our first full global GHG inventory, including full Scopes 1, 2 and 3, which will act as our baseline emissions, and will allow us to identify emissions hotspots for which reduction pathways will be developed. The process to develop our inventory has also given us valuable insight into data gaps and where data quality improvements can be made to support the future data collection process.

Although not linked to a specific target, our other key metric is our global airport lounge, and wider experiences, visit volumes. Our business is volume driven, and so we keep a close watch on demand and volumes on a monthly basis. With truly global coverage in our networks, our activity monitoring allows us to review consumer travel trends across geographies and segments, and to deep dive on behavioural motivators through our consumer feedback and market research.

For the years ended 30 April 2023 and 2024 Global Emissions (Scope 1, 2 & 3) in line with the GHG Protocol

	Year ended 30 April 2024	Year ended 30 April 2023
	tonne CO _{2e}	tonne CO _{2e}
Scope 1	2.55	14
Stationary combustion	0.4	-
Mobile combustion	-	14
Process emissions	-	-
Fugitive emissions	2.2	-
Scope 2		
Location-Based	1,186	750
Market-Based	1,167	-
Electricity (location-based)	1,186	750
Electricity (market-based)	1,167	-
Heat and Steam	-	-
Cooling	-	-

Strategic report continued

TCFD Report (continued)

Scope 3	75,581	206
1 – Purchased Goods and Services	14,432	-
2 – Capital Goods	1,224	-
3 – Fuel and energy-related activities	251	-
4 – Upstream transportation and distribution	9,338	-
5 – Waste generated in operations	103	5 (UK only)
6 – Business travel	2,469	201 (UK only)
7 – Employee commuting	2,922	-
8 – Upstream leased assets	-	-
9 – Downstream transportation and distribution	231	-
10 – Processing of sold products	-	-
11 – Use of sold products	43,430*	-
12 – End of life treatment of sold products	89	-
13 – Downstream leased assets	-	-
14 - Franchises	-	-
15 - Investments	1,092	-
Total gross tonne CO_{2e} based on above (Location-based)	76,770	970
Total gross tonne CO_{2e} based on above (Market-based)	76,751	-

*Indicates emissions above the minimum boundary requirements of the GHG Protocol. Please see Scope 3 below for more details.

Notes:

Scope 1 - the reduction of Scope 1 from the year ended 30 April 2023 to the year ended 30 April 2024, largely reflects emissions from employee-owned vehicles where TCG is responsible for the fuel, moving from Scope 1 to Scope 3. Our Scope 1 emissions now include emissions associated with the use of natural gas in offices and refrigerant leakage.

Scope 2 - The move to our new head office in London has resulted in a significant reduction in energy consumption as we have adapted to a suitably sized office to accommodate our hybrid-working while located in a more modern and energy-efficient building. Both our UK offices have also transitioned to renewable energy, seeing a reduction of 26 tonne CO_{2e}. Our owned airport lounges represent the highest proportion of our electricity consumption, and the increase in Scope 2 reflects a combination of additional airport lounges being in operation and the identification of previously missing data. As tenants in various airports, we have limited ability to influence the procurement of electricity, however we continue to engage with our airport partners to transition to renewable energy sources where possible.

Strategic report continued

TCFD Report (continued)

Scope 3 - The increase of Scope 3 reflects the full global inventory reporting compared with limited coverage in the year ended 30 April 2023. As with all businesses, the main challenge of Scope 3 is around the complexity of data collection and categorisation as these emissions stem from a wide range of sources.

Purchased goods and services account for approximately 19% of total emissions, where the main driving factors are associated with the design and construction of airport lounges. Our Airport Dimensions team is working on enhancing the Design and Construction guidelines to include more sustainable practices and to work with contractors which can implement more sustainable construction solutions. It is however important to note that development in airport environments can be highly restrictive due to security measures and, in some cases we are limited in the choice of suppliers as this is regulated by the airports.

Business travel emissions have been calculated mainly using a spend-based approach, which may have resulted in an underestimation. We are implementing a new corporate travel management provider and policy to address this.

As part of our full GHG inventory, we issued a global employee commuting survey asking employees across our offices to share office location, number of days per week they commute to the office, transport mode, and distance for each leg of their journey. While we had responses from all offices, not all employees completed the survey, so emissions were therefore scaled up in accordance with number of respondents to number of employees based in each office. It was noted that petrol cars account for approximately half of commuting emissions, mainly in our Cape Town office.

Use of sold products accounts for the largest proportion of our emissions, 57%, of which the majority is generated by lounge visits to third party lounges through Priority Pass (i.e. lounges that are not owned by TCG but can be accessed through our Priority Pass membership). The GHG Protocol requires companies to report the Scope 1 and 2 emissions of end users that occur from the use of products that directly consume energy. Companies are also expected to include emissions from the use of sold products that indirectly consume energy, if deemed to be material sources of energy use or GHG emissions. With millions of customers using Priority Pass to access lounges all over the world, we expect the GHG emissions associated with the use of Priority Pass to be a significant portion of our total emissions. Our inventory and analysis have shown that approximately 99% of our emissions from the use of sold products is generated by the use of Priority Pass memberships, therefore disclosing these emissions is in line with the guidelines set out in the GHG protocol. Activities associated with operating the lounges, such as food and beverage, other goods and services, and transportation and distribution are the main sources of emissions. As with the electricity in the lounges, we also have limited ability to influence other areas of operations where we don't own the lounges. However, we continue to work with our partners to reduce the impacts. Electricity consumption within the third-party lounges is also a key driver of emissions for Priority Pass. As we have no insight into the use and source of electricity in these airports, we have used estimations based on the grid electricity factors within the countries. Therefore, lounges located in coal intensive countries have a greater impact per visit. This stresses the importance of collaboration with airports and partners to enhance GHG disclosures, but we do however recognise the challenge that airports are also reliant on the electricity grid in the countries which they are located and that the transition to renewable energy looks different in different parts of the world.

ESG Report

TCG's family values are central to our entire business ethos, and we are proud of our rich history of compassionate decision making and community engagement. We believe that our business should stand for more than just making money, and we foster a culture where we strive for a higher purpose and to make a genuine difference in and amongst our communities. In doing so, we aim to be a company our people are proud to work for and our clients want to work with.

Our ESG programme seeks to formalise both our values and our transition actions into our core business strategy, and to harness the collective power of our people, clients, partners, suppliers and wider stakeholders. Whilst we have already made strides forward, as communicated in our years ended 30 April 2022 and 2023 ESG Reports (both publicly available at <https://www.collinsongroup.com/en/corporate-responsibility>), we know we have plenty more work to do.

Cognisant of this, in the year ended 30 April 2024, we engaged with Good Business, a leading specialist sustainability consultancy, to help us on our sustainability journey. Our aim was to move from a collection of discrete initiatives and early-stage progress reporting towards a more structured and forward-looking ESG strategy that reflects our most material challenges, integrates throughout our business, and includes clear targets and performance indicators that can be tracked and reported against. As a first step in developing our ESG Strategy, we undertook a formal Double Materiality Assessment. During this process we completed industry, issue and competitor research to create and validate a material issue list (aligned to European Sustainability Reporting Standards, ESRS), before engaging in interviews and workshops with a range of stakeholders, including our executive leadership, people at varying levels from across our operating businesses, and a selection of clients. The scored impacts, risks, and opportunities were consolidated into one list, an appropriate threshold for materiality was agreed, and ultimately a material topics list was identified. The most significant thematic areas relate to governance, workers and customers. Environmental sub-themes rank lower, though climate change remains an important topic, especially within the context of the industries we operate within.

Building from the Double Materiality Assessment, we have developed a formal ESG Strategy, or "Good beyond profit" as we refer to it. The full details of our ESG Strategy, including the material topics, and our forward-looking targets are included in our standalone 2024 financial year ESG Report, made available on our website. Also included in our ESG Report for the year ended 30 April 2024, is our first full global GHG inventory, including full Scope 1, 2 and 3, our 2024 financial year Gender Pay Gap report, and details of the progress we have made in ESG areas through the financial year.

UK Streamlined Energy and Carbon Reporting (SECR)

Since 2019, we have been disclosing our Scope 1 and 2 GHG emissions for our UK offices in line with the Greenhouse Gas Protocol's framework and the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR), which requires organisations to report energy and carbon emissions in their annual report. In our 2023 financial year SECR disclosure, we expanded our reporting capability to include water within Scope 3 and backdated it for the 2022 financial year as well. This year, we are proud to have completed our first full global GHG inventory which will act as our baseline emissions for setting Science-Based Targets, and to identify emissions hotspots for which reduction pathways will be developed. The process to develop our inventory has also given us valuable insight into data gaps and where data quality improvements can be made to support the future data collection process. This work was conducted in partnership with Good Business, which developed and approved the methodologies driving the calculations.

ESG Report continued

UK Streamlined Energy and Carbon Reporting (SECR) (continued)

Whilst we have expanded our reporting to a full global GHG Inventory across Scopes 1, 2, and 3, we are currently unable to breakdown all Scope 3 categories by country. For our 2024 financial year SECR reporting, we therefore continue to present partial Scope 3, albeit expanding our coverage to include fuel and energy related activities, waste and employee commuting, but removing water and business travel, which are not available at a UK level, although are included in the global inventory in our ESG report. We have not backdated the additional Scope 3 emissions to 2023 financial year reporting, or removed the categories not reported this year, and so the year-on-year comparison cannot be considered like for like for Scope 3.

Our reduction in Scope 1 emissions in the 2024 financial year compared to the 2023 financial year is mainly due to accounting changes, moving fuel consumption from Scope 1 to Scope 3 Business travel. The move to our new head office in London has also resulted in a significant reduction in energy consumption as we have adapted a more right-sized office to accommodate our hybrid-working while located in a more modern and energy-efficient building. Both our UK offices have also transitioned to renewable energy; however, we have seen an increase in the waste generated in our UK offices, mainly due to more accurate data in our Haywards Heath office and as employees are spending more time in both our UK offices.

	Year ended 30 April 2024 (FY24) tonne CO2e	Year ended 30 April 2023 (FY23) tonne CO2e
Scope 1		
Emissions from fuel consumption in utilities and vehicles where Collinson is responsible for the purchasing the fuel (FY23)	[1]	4.40
Gas consumed in offices and refrigerant leakage in air con units (FY24)	0.74	NA
Scope 2		
Electricity (location-based)	25.94	124.32
Electricity (market-based)	-	124.32
Scope 3		
Fuel and energy related activities	8.55	NA
Waste generated in offices	8.36	3.38
Business travel	NA	201.34
Water	NA	0.46
Employee commuting	1,222.79	NA

ESG Report continued

	Year ended 30 April 2024 (FY24) tonne CO2e	Year ended 30 April 2023 (FY23) tonne CO2e
Total gross CO2e based on above (Location-based)	1,266.38	333.90
Total gross CO2e based on above (Market-based)	1,240.44	NA
Intensity ratio (tonneCO2e/per full-time UK employee) (Location-based)	1.71	0.44
Intensity ratio (tonneCO2e/per full-time UK employee) (Market-based)	1.68	NA

[1] = Accounting change, emissions moved to Scope 3 but not available at UK only level

NA = Data not available for reporting purposes.

Methodology

GHG emissions were quantified in accordance with the GHG Protocol. The methodology included 100% of all relevant Kyoto Protocol GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆). GHG emissions from non-CO₂ gases are converted and reported in as carbon dioxide equivalents (CO₂e) using standard long-term global warming potentials (GWP-100). The Intergovernmental Panel on Climate Change's (IPCC) AR5 GWPs were used.

Reporting period	1 May 2023 to 30 April 2024
Organisational boundary	Equity share approach
Alignment with financial reporting	SECR disclosure has been prepared in line with the annual accounts made up to 30 April 2024
Emissions factor source	DEFRA, 2023 for all emissions factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
Calculation methods	Activity Data x Emission Factor = GHG emissions
Reason for the intensity measurement choices	The chosen metric is based on the number of full time UK employees

Governance

Corporate Governance Statement

Overview

The Collinson Group Limited (the Company) is committed to maintaining high standards of corporate governance. The Board of Directors (the Board) is responsible for ensuring that the Company operates within a framework of robust governance, transparency, and accountability, fostering long-term value for shareholders and stakeholders.

The Board of Directors

Composition and Responsibilities

The Board comprises six directors including two independent Non-Executive Directors. As at 30 April 2024, the four Executive Directors are the Founder and Chairman of the Company, the Chief Strategy Officer, the CEO of Collinson International Limited (a key Collinson operating company), and the Chief Financial Officer. Our Board composition reflects the family-owned and operated private nature of the Company, and as the shareholders remain active in the day to day running of the business, the separation between executive management and board oversight is less pronounced. An equal split of family and non-family members on the Board, and the presence of two independent non-executive directors, ensures appropriate scrutiny and challenge.

The Board is responsible for setting the Company's strategic direction, overseeing management, and ensuring that the Company meets its legal and regulatory obligations. The Board meets regularly and has a formal schedule of matters specifically reserved for its decision.

Board Committees

For the year ended 30 April 2024, the Board established the following committees to assist in the execution of its responsibilities:

Global Audit Committee

The Global Audit Committee comprises of a Non-Executive Director and two Executive Directors and meets at least three times each year at appropriate intervals in the financial reporting and audit cycle. Its primary responsibility is the integrity of the Groups financial statements, and the effectiveness of internal controls, the performance of the internal audit function, and the performance and independence of the external auditors.

Global Risk Committee

During the year ended 30 April 2024, Collinson had a Group Risk Committee, which did not meet in its previous form. Reports and the Risk Register, containing relevant risks including climate related risks were provided and discussed at quarterly Board meetings. During 2024, the Group Risk Committee was reconstituted as the Global Risk Committee (GRC) and is now chaired by an independent Non-Executive Director, meets quarterly, and operates under new terms of reference. The other members of the GRC include three Executive Directors and a senior leader who is accountable for Group Risk. The committee shall advise the Board on the Company's overall climate risk appetite, tolerance and strategy, and the principal and emerging risks the company is willing to take to achieve its long-term strategic objectives.

Governance

Corporate Governance Statement (continued)

Global Investment Committee

The Global Investment Committee comprises two Executive Directors and a senior leader from the Group and meets at least four times each year. The purpose of the Global Investment Committee is to operate in line with the delegation provided by the Company to approve investment cases up to an annual limit set out in the approved budget and up to an agreed threshold per case. The Global Investment Committee reports to the Board at its quarterly meetings.

Group Strategy Team

The Group Strategy Team, chaired by the Chief Strategy Officer, comprises two Executive Directors, four senior leaders from the Group, and an independent advisor on responsible business. It meets on at least a tri-annual basis and more frequently as required. The purpose of the TCG Strategy Team is to develop corporate strategy, consider appropriate capital allocation, monitor and oversee progress of the Operating Businesses against strategic objectives, lead on mergers and acquisitions, and develop group wide frameworks on culture and behaviours, branding and ESG. The Strategy Team is authorised to make recommendations to the Board for approval.

Each committee and the Group Strategy Team operates under clear terms of reference which are reviewed annually and maintained by the Company Secretary.

Risk Management and Internal Controls

The Company has a comprehensive system of risk management and internal controls in place to identify, assess, and manage potential risks. The Global Audit Committee reviews these systems regularly to ensure their effectiveness. The Board is satisfied that the Company has adequate internal controls in place to safeguard its assets and ensure accurate financial reporting.

Ethical Standards and Corporate Responsibility

The Company adheres to high ethical standards in all its business dealings. It is committed to corporate responsibility, including environmental sustainability, social responsibility, and good corporate citizenship.

Compliance with Laws and Regulations

The Company complies with all applicable laws, regulations, and industry standards. The Board ensures that the Company's policies and procedures are regularly updated to reflect changes in the regulatory environment.

Review of Corporate Governance

The Board reviews the Company's corporate governance framework regularly to ensure it remains appropriate and effective. The Board is committed to continuous improvement in governance practices and will consider the adoption of new guidelines and best practices as they emerge.

The Board believes that strong corporate governance is essential to the Company's success and long-term sustainability. The Board remains committed to upholding the highest standards of governance in all aspects of the Company's operations.

Governance continued

Directors' report

The Directors present their audited reports and consolidated financial statements for the year ended 30 April 2024.

Future developments

The Group's future developments are set out in the future outlook section of the Strategic Report on page 12 in accordance with s414C (11) of the Companies Act 2006, as the Directors consider this to be of strategic importance to the Group.

Results and dividends

The audited financial statements are presented from page 45. The Company paid a dividend of £2.2m during the year ended 30 April 2024 (2023: £nil). The Company has not recommended a dividend for the year ended 30 April 2024.

Directors

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

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 on 30 April 2024, and at the date of signing the Directors' report.

Going Concern

The consolidated and parent company financial statements have been prepared on a going concern basis. The Directors have assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council (FRC). As part of that assessment, the Directors have considered whether there are any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the use of the going concern basis of accounting. Based on that assessment, the Directors have a reasonable expectation that the Group has sufficient liquid resources and headroom on financial covenants to continue in operational existence for the period from the date of signing the financial statements to January 2026.

In making the going concern assessment the Directors have considered the Group's recent Board approved financial forecast as its base case, which represents our current outlook of the future expected performance of the business. The base case reflects the expected increase in volumes in our Travel Experiences and Airport Dimensions businesses, as well as planned new business in these and our other operating companies. The Directors have also considered the Group's access to liquidity throughout the going concern period.

During the 2024 financial year, the Board made a strategic decision to enhance the Group's existing borrowing facilities to provide additional funding to support planned growth activities and to move to a more flexible facility for the Group's growing working capital cycle. These enhanced borrowing facilities were signed in May 2024 and include an extension to the period that the Group has access to its existing Acquisition Facility of £50.0m, up to June 2025. Both long-term facilities are due to mature and be repaid in July 2026. The enhancements also include an increase to amounts available under revolving credit facilities (RCF) from £12.5m (of which £5.0m is carved out for letters of credit) to £50.0m (of which £10.0m is carved out for letters of credit). Access to our RCF is due to end in January 2026, but we do not anticipate significant challenge in securing new financing of a similar magnitude given the existing and forecast low leverage of the Group.

Under the base case the Group has adequate liquidity to continue operating throughout the going concern period and to meet all its financial covenants. As at 30 April 2024, the Group had access to £120.5m of liquidity when taking

Governance continued

Directors' report (continued)

into consideration available cash (which excludes unrestricted funds of our Insurance business) and access to the £7.5m RCF. As at July 2024 the Group had £134.9m of liquidity it could access, which includes available cash and access to the £40.0m RCF. In addition, at July 2024 the Group has £33.0m remaining available to it under the Acquisition Facility that can be used to fund strategic investments to support the continued growth of the business.

As set out in the Strategic Report the Directors consider one of the most significant financial risks to the Group at this time, is the risk relating to macroeconomic factors. As such the Directors have also modelled the potential impact on the Group's financial performance and liquidity of a severe but plausible downside, which considers a downturn in travel arising from changes in consumer spending habits or a geopolitical regional event, resulting in a significant reduction of lounge visit volumes compared to our base case. Whilst the Directors believe the risk of this severe but plausible downside materialising is unlikely, if it did occur, the Directors are confident the Group would not breach any of its covenants during the going concern assessment period.

The Directors 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 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 actions, is remote.

Based on the above, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and loans. The main purpose of these instruments is to raise funds to finance the Group's operations. In respect of cash, liquidity risk is managed by actively monitoring balances and ensuring that funds are in place to meet liabilities as and when they fall due. Trade receivables are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade payables liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The Group is exposed to fluctuations in exchange rates, most significantly to the US dollar, HK dollar and Euro. Foreign exchange risk is partially mitigated by natural hedging and where appropriate managed through the Group's policy of hedging a proportion of forecasted currency requirements through forward foreign currency contracts.

Political donations and political expenditure

The Company made no political donations and incurred no political expenditure during the year ended 30 April 2024 (2023: £nil).

Research and development

There has been £nil spent on research and development during the year.

Post balance sheet events

Post balance sheet events are disclosed in note 33.

Governance continued

Directors' report (continued)

Branches outside the UK

The Company has no immediate branches outside of the UK.

Employees

During the 2024 financial year, the Group employed approximately 1,800 people across 15 countries. The Group's recruitment policy is that all applications for employment, including those made by disabled candidates, experience a fair, consistent and rigorous selection and interview process considering the applicants' skills, knowledge, experience and values alignment. Our commitment to promoting equality of opportunity and eliminating any unfair or unlawful discrimination is embodied in our Global Discrimination, Bullying and Harassment policy and applies to all employment policies and practices including those relating to terms of employment, training, career development and promotion. Where employees develop a disability during their employment, every effort is made to continue their employment and arrange for appropriate adjustments, support and training as far as is reasonably practicable.

Engagement with Stakeholders

Details on engagement with employees, customers, suppliers and other stakeholders can be found within the Group's Section 172 statement in the Strategic Report on page 13.

Statement of Corporate Governance Arrangements

Details on the Group's corporate governance arrangements can be found within the Strategic Report on page 36.

UK Streamlined Energy and Carbon Reporting (SECR)

The SECR report is presented in our ESG Report within the Strategic Report on page 32.

Director Responsibilities

The Board seeks to ensure that necessary financial and non-financial human resources are in place for the Group to be able to meet its objectives, to review management performance and to ensure that its obligations to its shareholders are understood and met. The Board receives regular and timely information on all key aspects of the business including financial performance, strategy, operational, people and market conditions, supported, where possible, by KPIs.

All Directors have a clear understanding of their roles and have access to legal and corporate governance advice on their responsibilities or relevant regulations. The Board receives briefings and training on new regulations impacting the Group. This report was approved by the Board on 13 September 2024 and signed on its behalf by:

Colin Robert Evans
Director

Governance continued

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

Disclosure of information to auditor

Each of the persons who is a Director at the date of this report confirms that:

1. as far as each of them is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
2. the Director has taken all steps that they ought to have taken in their duty as director in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Independent auditors

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

This report was approved by the Board on 13 September 2024 and signed on its behalf by:

Director
Colin Robert Evans

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLINSON GROUP LIMITED

Opinion

We have audited the financial statements of The Collinson Group Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 35 to the Consolidated financial statements and notes 1 to 12 to the Parent Company financial statements, 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 Republic of Ireland", and FRS 103 "Insurance contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and of the Parent Company's affairs as at 30 April 2024 and of the Group's 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 Group 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 Group and Parent Company's ability to continue as a going concern for a period to January 2026.

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 Group's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLINSON GROUP LIMITED continued

Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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 Group and the Parent 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 Parent Company 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLINSON GROUP LIMITED continued

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 40, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are (FRS 102, FRS 103 and the Companies Act 2006) and the relevant tax compliance regulations in the UK and overseas jurisdictions in which the group operates. In addition, the group 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 The Collinson Group Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We determined whether there were deficiencies within the Group's and parents control environment, including entity level controls such as those relating to ethical behaviour and fraud prevention and deterrence, through observations during our audit procedures and discussions with the local component auditors. We corroborated our enquiries through our review of Board minutes, correspondence with tax and other regulatory authorities, significant contracts and agreements impacting the Group in the financial year and noted that there was no contradictory evidence.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLINSON GROUP LIMITED continued

- 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 have also considered the controls that the Group has established to address risks identified by the Group, or that otherwise seek to prevent, deter or detect fraud. Additionally, we used our knowledge and prior experience of both the business and the industry to determine areas where fraud is more likely to occur, including consideration of areas of judgement and estimation as well as complex transactions. Our procedures involved:
 - Consideration of fraud risks during the planning of and throughout our audit.
 - Inquiring of Management as to the risks of fraud and the controls in place.
 - Understanding the oversight by those charged with governance of Management's controls over fraud risks including the whistleblowing processes.
 - Consideration of the effectiveness of Management's controls designed to address the risks of fraud.
 - Determining an appropriate strategy to address those identified risks of fraud.
 - We also considered the impact of macroeconomic factors on the Group's business.
 - We assessed of the consistency of operations and controls in place as the company used hybrid working for the period under audit and made enquiries of management via the use of video conferencing.
 - We performed analytical review procedures to assess for unusual movements throughout the year.
 - We incorporated data analytics into our testing of revenue recognition. We designed and performed audit procedures to ensure that revenue was recognised in line with contractual terms of services provided and included in the correct accounting period. We tested specific transactions back to source documentation, 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 involved using data analytics involved testing journals identified by specific risk criteria.

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

Use of our report

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

Robert Bruce (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2024

	Note	2024 £m	2023 £m
Revenue	5	1,536.4	1,144.0
Cost of sales		(1,291.5)	(942.3)
Gross profit		244.9	201.7
Administrative expenses		(197.0)	(183.3)
Operating profit		47.9	18.4
Profit on disposal of operations	7	-	2.2
Share of results from joint ventures and associates	15	2.6	1.3
Impairment of investment in joint ventures and associates		-	(1.5)
Profit on ordinary activities before interest		50.5	20.4
Interest receivable and similar income	6	9.2	9.7
Interest payable and similar charges	6	(13.6)	(8.5)
Profit on ordinary activities before taxation	7	46.1	21.6
Taxation charge	11	(9.9)	(6.1)
Profit for the year		36.2	15.5
Attributable to:			
Owners of the parent		35.7	15.1
Non-controlling interests		0.5	0.4
		36.2	15.5
Other comprehensive income:			
Exchange differences on retranslation of foreign operations		(0.6)	(0.6)
Exchange differences arising on net investments in foreign operations		0.2	(0.2)
Other comprehensive loss for the year, net of taxation		(0.4)	(0.8)
Total comprehensive income for the year		35.8	14.7
Attributable to:			
Owners of the parent		35.3	14.3
Non-controlling interests		0.5	0.4
		35.8	14.7

The notes on pages 49 to 95 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 30 April 2024

	Note	2024 £m	2023 £m
Non-current assets			
Intangible assets	13	8.8	7.8
Property, plant, and equipment	14	30.4	23.9
Investments	15	10.6	7.3
		49.8	39.0
Current assets			
Deposits with credit institutions	16	-	20.0
Trade and other receivables	17	566.5	471.6
Cash and cash equivalents	18	272.9	188.8
		839.4	680.4
Current liabilities			
Creditors: amounts falling due within one year	19	(697.3)	(563.0)
		142.1	117.4
Net current assets		142.1	117.4
Total assets less current liabilities		191.9	156.4
Non-current liabilities			
Creditors: amounts falling due after more than one year	20	(65.2)	(63.6)
Provision for liabilities	21	(13.3)	(12.7)
		113.4	80.1
Net assets		113.4	80.1
Capital and reserves			
Called up share capital	23	0.2	0.2
Retained earnings		111.2	78.1
Equity attributable to the owners of the parent		111.4	78.3
Equity attributable to non-controlling interests		2.0	1.8
Total equity		113.4	80.1

The financial statements on pages 45 to 95 were approved by the Board of Directors on 13 September 2024 and signed on its behalf by:

Colin Robert Evans

Director

The notes on pages 49 to 95 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 April 2024

	Share capital £m	Retained earnings £m	Total equity attributable to the owners of the parent £m	Non-controlling interest £m	Total £m
At 1 May 2023	0.2	78.1	78.3	1.8	80.1
Profit for the year	-	35.7	35.7	0.5	36.2
Other comprehensive loss for the year	-	(0.4)	(0.4)	-	(0.4)
Total comprehensive income for the year	-	35.3	35.3	0.5	35.8
Dividends paid	-	(2.2)	(2.2)	(0.3)	(2.5)
At 30 April 2024	0.2	111.2	111.4	2.0	113.4
At 1 May 2022	0.2	63.8	64.0	1.4	65.4
Profit for the year	-	15.1	15.1	0.4	15.5
Other comprehensive loss for the year	-	(0.8)	(0.8)	-	(0.8)
Total comprehensive income for the year	-	14.3	14.3	0.4	14.7
Dividends paid	-	-	-	-	-
At 30 April 2023	0.2	78.1	78.3	1.8	80.1

The notes on pages 49 to 95 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 April 2024

	Note	2024 £m	2023 £m
Net cash from operating activities	24	95.6	59.9
Interest received		5.7	1.4
Taxation paid		(12.0)	(7.4)
Taxation refund		-	0.7
Net cash generated from operating activities		89.3	54.6
Investing activities			
Interest received		0.7	0.1
Receipts from forward contracts		4.9	0.7
Purchase of intangible assets		(3.0)	(4.2)
Purchase of property, plant, and equipment		(11.1)	(12.0)
Payment of deferred and contingent consideration		(0.3)	(0.2)
Disposal of subsidiaries (net of cash disposed of)		-	2.6
Increase in joint ventures, associates and other investments		(0.8)	(2.0)
Loans to investees		(3.8)	(3.8)
Receipts on loans repayment from non-controlling interests		0.1	-
Dividends received from joint ventures		0.5	0.4
Cash withdrawn from (deposited with) credit institutions		20.0	(15.9)
Net cash generated from (used in) investing activities		7.2	(34.3)
Financing activities			
Interest paid		(8.2)	(6.1)
Repayments of obligations under finance leases		-	(0.1)
Drawdowns on long-term loan		-	9.0
Dividends paid to equity owners	12	(2.2)	-
Dividends paid to minority shareholders		(0.3)	-
Net cash (used in) generated from financing activities		(10.7)	2.8
Net increase in cash and cash equivalents		85.8	23.1
Cash and cash equivalents at the beginning of the year		188.8	164.9
Effect of foreign exchange rate changes		(1.7)	0.8
Cash and cash equivalents at end of the year	18	272.9	188.8

The notes on pages 49 to 95 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

1 General information

The Collinson Group 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 3 More London Riverside, 5th Floor, London, SE1 2AQ. The Company is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings (together referred to as the Group).

2 Statement of compliance

The consolidated financial statements have been prepared in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), FRS 103 'Insurance contracts' ('FRS 103') and applicable legislation as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

3 Accounting policies

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

3.1 Basis of preparation

The consolidated and Company 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 consolidated financial statements have been presented in Pound Sterling as this is the Group's principal functional currency and rounded to the nearest million.

The preparation of financial statements requires management to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(i) Going concern

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. The Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period to January 2026 and have concluded there are no 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. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.1 Basis of preparation (continued)

(ii) Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary undertakings, together with the Group's share of the results of jointly controlled entities and associates, for the year ended 30 April 2024.

Subsidiaries are included within the consolidation where the Group has control over such entities, thereby having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to apply the Group's accounting policies when preparing the consolidated financial statements. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

Entities in which the Group holds an interest and jointly controls under a contractual arrangement are treated as joint ventures in the consolidated financial statements and are accounted for using the equity method. Entities that are neither subsidiaries nor joint ventures, in which the Group has significant influence, are treated as associates in the consolidated financial statements and are accounted for using the equity method.

Any subsidiaries, joint ventures or associates that are acquired or disposed of during the financial year are included up to, or excluded from, the consolidated financial statements from the date that the Company obtains or loses control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3.2 Foreign currencies

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency of each entity using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the exchange rates 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 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 of monetary assets and liabilities at the reporting date are reported in profit or loss. Foreign exchange gains and losses arising from the translation of monetary items that form part of a net investment in a foreign operation are recognised in other comprehensive income and accumulated in equity.

(ii) Translation

The results of Group undertakings are translated into Sterling at the average exchange rate for the year. The assets and liabilities of overseas entities are translated at the exchange rates ruling at the year end and exchange differences arising on retranslation are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.3 Revenue recognition

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 Group recognises revenue associated with the transaction by reference to the stage of completion of the transaction at the end of the reporting year. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied: (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Group; (c) the stage of completion of the transaction at the end of the reporting year can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Group recognises revenue from the provision of its principal services as follows:

- (i) Revenue from lounge visits is recognised at the point in time when the visit occurs;
- (ii) Membership fees are recognised on a straight-line basis over the membership term reflecting that benefits are provided to the customer evenly throughout the membership period;
- (iii) Project revenue is recognised based on the level of work that has been performed to date under the project reflecting the progress of the project and the value of the work performed;
- (iv) Platform fee revenue is recognised in the period to which the fee relates based on when the associated platforms are utilised;
- (v) Loyalty commissions are earned on customer transactions with 3rd party merchants. The commission revenue is recognised at the point in time when the underlying sale occurs; and
- (vi) Insurance mediation and administration fee income for services provided to underwriters is recognised over the period in which the service is rendered. Profit commissions on insurance mediation contracts are recognised in the period it is earned. Commission is determined with reference to the profitability of the underlying business contracted; and
- (vii) Insurance contract premium is recognised as described in note 3.16.

3.4 Network commissions payable

The Group sells its Travel Experiences products through a number of channels including large credit card networks. When these products are sold through credit card networks, the Group considers itself the principal in the arrangement, as it has the primary responsibility to deliver the products to the end customers where this entitlement has been secured by way of the credit card networks. The incentives provided to the credit card networks, based on the volumes of memberships and lounge visits sold by the Group, are recognised as a commission to the credit card networks for the volume of business they bring and are recorded in cost of sales.

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.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

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 respectively. 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 tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised or can otherwise be unwound.

Deferred tax is recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where:

- (a) the Company can control the reversal of the timing difference; and
- (b) it is probable that the timing difference will not reverse in the foreseeable future.

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 taxation expense.

3.7 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed, and equity instruments issued plus directly attributable costs. Where control is achieved in stages, the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at the estimated amount where the consideration is probable and can be measured reliably. Where the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable, or contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, including separately identifiable intangible assets, liabilities, and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities. Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

Goodwill recognised represents the excess of the consideration and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is amortised over its expected useful life (see note 3.8). Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged immediately to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.8 Intangible assets

Intangible assets acquired separately from a business combination are initially recognised at cost, being the purchase price plus any directly attributable costs. Subsequent to initial recognition, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Intangible assets are tested for impairment where indications of impairment exist at the reporting date, and any impairment is charged immediately to profit or loss.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- (a) The technical feasibility of completing the software so that it will be available for use or sale;
- (b) The intention to complete the software and use or sell it;
- (c) The ability to use the software or to sell it;
- (d) How the software will generate probable future economic benefits;
- (e) The availability of adequate technical, financial, and other resources to complete the development and to use or sell the software; and
- (f) The ability to measure reliably the expenditure attributable to the software during its development.

Other development costs that do not meet these criteria are recognised as an expense as incurred.

Amortisation is charged on a straight-line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The estimated useful lives are as follows:

Goodwill	5-10 years
Software development costs	3-10 years
Acquired software	3-10 years

3.9 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 or cost of sales as appropriate in profit or loss, to allocate the asset's cost, less its estimated residual value, over its estimated useful life using a straight-line basis as follows:

Leasehold improvements	Shorter of useful economic life or remaining lease term
Computer equipment	2-3 years
Furniture, Fittings and Equipment	5 years
Motor vehicles	4 years

Property, plant, and equipment are tested for impairment where indications of impairment exist at the reporting date, and any impairment is charged immediately to profit or loss.

3.10 Investments

(i) Investments in subsidiary companies

Investments in subsidiary companies in the Company's separate financial statements are stated at cost less accumulated impairment losses.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.10 Investments (continued)

(ii) Investments in joint ventures and associated undertakings

Investments in joint ventures and associated undertakings are held at cost less accumulated impairment losses. The investment is adjusted for the Group's share of the results of the joint ventures and associates under the equity method of accounting, and the results are included in the Group's statement of comprehensive income. On acquisition of joint ventures and associated undertakings, the Group accounts for any difference between the cost of acquisition and the share of fair value of net identifiable assets as goodwill, which is subsequently amortised over an appropriate timeframe.

3.11 Leases

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

Payments made under operating lease arrangements and benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

3.12 Impairment of non-financial assets

At each reporting date or where events transpire, the Group reviews the carrying value of its assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its 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 from continued use of the asset and its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised immediately in profit or loss within administrative expenses. An impairment loss for all assets, excluding goodwill, is reversed in subsequent year if, and only if, the reasons for the impairment loss cease to apply. Impairment losses on goodwill are not reversed in subsequent years.

3.13 Financial instruments

The Group has chosen to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' in full. The Group holds basic financial instruments, which comprise investments, cash and cash equivalents, trade and other receivables, trade and other payables, as well as loans and borrowings. The Group holds non-basic financial instruments comprising derivative instruments.

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or are settled, or when substantially all the risks and rewards of the ownership are transferred to another party. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled, or expires.

Where a financial asset or financial liability constitutes a financing transaction, it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.13 Financial instruments (continued)

Financial assets – classified as basic financial instruments

(i) Deposits with credit institutions

Deposits with credit institutions 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 receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits held with banks, credit and debit card receivables and other short-term highly liquid investments that are subject to an insignificant risk of change in value and have original maturities of three months or less, such as money market funds, money market deposits and similar instruments.

(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 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 provision amount 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 provision amount 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 are subsequently measured at amortised cost using the effective interest method. Amounts payable within one year are measured at the undiscounted amount of the cash expected to be paid.

(ii) Loans and borrowings

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

Derivative instruments – classified as non-basic financial instruments

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates primarily on US dollar and Euro denominated cash flows. Derivative financial instruments are initially measured at fair value at the date of entering the derivative contract and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward foreign currency contracts is calculated by reference to forward exchange rates derived from market-sourced data at the balance sheet date.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that the obligation will be settled, and when that obligation can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

3.15 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.

3.16 Insurance contracts

Premiums written

Premiums written relate to business incepted during the year and due for payment, including any differences between booked premiums for prior years and those previously accrued. They also include estimates of premiums due but not yet receivable or notified, less an allowance for cancellation. Written premiums exclude taxes or duties levied with premiums and are reported gross of any commission payable to intermediaries, regardless of how that commission is remitted, reflecting the contractual arrangements in force.

Unearned premiums

Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis, or on the risk profile of the underlying contract.

Deferred acquisition costs

The Group's acquisition costs comprise commissions payable and other related expenses, which are deferred over the period to which the related premiums are earned.

Claims incurred

Claims incurred comprise claims and related expense paid in the year and changes in the provision for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any other adjustments to claims from previous years.

Claims provisions and related reinsurance recoveries

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Group. The estimated cost of claims includes expenses to be incurred in settling claims. In calculating the estimated cost of unpaid claims, the Group uses various estimation techniques, generally based on statistical analysis of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared to the cost of previously settled claims. A component of these estimation techniques is usually the estimated cost of notified but not paid claims. Large claims are generally assessed separately, being measured on a case-by-case basis or projected separately to allow for the possible distortive effect of the development and incidence of these large claims. Provisions are calculated gross of any reinsurance recoveries.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

3 Accounting policies continued

3.16 Insurance contracts (continued)

Reinsurance

As part of normal business operations, the Group enters into reinsurance contracts under which the Group is compensated for losses on insurance contracts issued by the Group. The benefits to which the Group is entitled under its reinsurance contracts are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within receivables arising out of reinsurance operations), as well as receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts (classified within reinsurers' share of technical provisions in other receivables). Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities (classified within payables arising out of reinsurance operations) are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

4 Critical accounting judgements and key sources of estimation uncertainty

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. 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.

4.1 Critical judgements in applying the Group's accounting policies

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

(i) Impairment of assets

Management have assessed individual assets for indicators of impairment and indicators that impairments previously recognised should be reversed. Judgement has been used in assessing external and internal sources of information to determine if there are indicators of impairment or reversals of previously recognised impairments and if so whether the carrying value of assets can be supported by the net present value of future cash flows that they are expected to generate. Details of the indicators that led management to determine impairments in property, plant and equipment are included within note 14. There were no indicators of impairment in intangible assets or investments in the current financial year.

(ii) Provisions for indirect taxes

In respect of certain tax jurisdictions management has considered whether there is a present obligation to pay indirect taxes and associated charges and where such is the case whether it was probable that the obligation would be settled and whether the amount could be reasonably estimated. Based on its review of the associated tax legislation management believe there is an obligation to pay indirect taxes in certain jurisdictions, however the amounts are uncertain until a conclusion has been reached with the relevant tax authority or through a legal process. Management has performed a reasonable estimate based on enacted tax rates and business activity in the regions impacted and the resulting indirect tax provisions are included within note 21.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

4 Critical accounting judgements and key sources of estimation uncertainty continued

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) Determining insurance contract liabilities

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position. Further details on the recognition of insurance contract liabilities are set out in note 34 to the consolidated financial statements.

(ii) Estimation of useful life

The depreciation charge for property, plant and equipment and amortisation charge for intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful life and residual values of assets are reviewed annually by management and have been amended as appropriate to reflect management's current estimate of economic utilisation and for property, plant and equipment, the physical condition of the assets. Refer to notes 3.8 and 3.9 for the useful economic lives for each class of assets.

(iii) Recoverability of receivables

Management have estimated the recoverable value of trade receivables and recognised a provision for amounts that are estimated to not be recoverable. In assessing recoverability management has considered, the aging of the receivables, past experience of recoverability, recent payment behaviour, the credit profile of individual or groups of customers and expected or actual insolvency filings. The assessment is inherently subjective given the forward-looking nature. Refer to note 17 for the carrying value of receivables.

(iv) Tax losses

The deferred tax asset in relation to unutilised tax losses held in the UK group arose as a result of one-off issues such as the reduction in travel during the pandemic as well as foreign exchange movements. The Group has since recovered profitability and is utilising those losses. The associated deferred tax asset is expected to fully unwind over the next two years as the losses are utilised.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

5 Revenue

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

	2024 £m	2023 £m
Rendering of services	1,239.5	912.1
Commissions	3.2	3.3
Gross earned premiums (note 34.2)	293.7	228.6
	1,536.4	1,144.0

An analysis of the Group's revenue by geographical market is as follows:

	2024 £m	2023 £m
United Kingdom	311.2	239.1
Rest of Europe and Middle East	182.2	156.3
North and South America	863.9	644.4
Asia Pacific	170.8	95.8
Africa	8.3	8.4
	1,536.4	1,144.0

6 Interest receivable (payable) and similar income (charges)

	2024 £m	2023 £m
Interest receivable and similar income		
Interest receivable on cash and cash equivalents	6.2	1.3
Interest receivable on deposits with credit institutions	0.3	0.5
Other interest receivable	0.7	0.5
Gain on derivative financial instruments measured at fair value through profit or loss	2.0	7.4
Total interest receivable and similar income	9.2	9.7
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	-	(0.1)
Interest payable on other loans	(9.3)	(7.3)
Other interest payable	-	(0.1)
Loss on derivative financial instruments measured at fair value through profit or loss	(4.3)	(1.0)
Total interest payable and similar charges	(13.6)	(8.5)
Net interest (payable) receivable and similar (charges) income	(4.4)	1.2

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

7 Profit (loss) on ordinary activities before taxation

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

	2024	2023
	£m	£m
Amortisation of intangible assets	3.1	2.6
Impairment charge on intangible assets	-	2.5
Depreciation of property, plant, and equipment	4.5	5.6
Impairment charge on property, plant, and equipment	1.9	
Reversal of impairment charge on property, plant and equipment	-	(0.4)
Impairment charge on other receivables	2.9	1.7
Profit on sale of subsidiary ^(a)	-	(2.2)
Operating lease rentals	12.7	11.4
Foreign exchange loss	3.1	5.2

(a) During the prior financial year, the Board completed the sale of corporate medical assistance activities comprising the entire issued share capital of Collinson Assistance Services Limited and Intana Global Limited (together "Assistance") to Crisis24 and recognised a profit of £2.2m in the consolidated statement of comprehensive income.

8 Auditor remuneration

The total remuneration of the Group's auditor, for services provided to the Group is analysed as follows:

	2024	2023
	£m	£m
Parent company	0.8	0.7
Subsidiaries	1.2	0.9
Audit fees	2.0	1.6
Audit-related assurance services	-	0.1
Non-audit fees	-	0.1
Total remuneration	2.0	1.7

Auditor remuneration includes one-off costs relating to IFRS 17 restatement fees.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

9 Staff costs

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

	2024	2023
Production	591	570
Sales and marketing	133	143
Administration	1,049	1,091
	1,773	1,804

Their aggregate remuneration comprised:

	2024 £m	2023 £m
Wages and salaries	106.7	102.3
Social security costs	9.4	9.7
Other pension costs	4.3	4.3
	120.4	116.3

10 Directors' remuneration

	2024 £m	2023 £m
Emoluments	3.1	2.3
Pension scheme contributions	-	-
	3.1	2.3

	2024 £m	2023 £m
Remuneration of the highest paid director:		
Emoluments	0.9	0.8
Pension scheme contributions	-	-
	0.9	0.8

There are £nil (2023: £nil) directors accruing benefits under money purchase schemes.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

11 Taxation on profit or loss on ordinary activities

The taxation charge comprises:

	2024 £m	2023 £m
Current taxation on profit or loss on ordinary activities		
UK corporation taxation	1.3	-
Adjustments in respect of prior years - UK	-	-
Overseas corporation taxation	9.3	9.9
Adjustment in respect of prior years - Overseas	-	(0.2)
Total current taxation	10.6	9.7
Deferred taxation:		
Origination and reversal of timing differences	(1.3)	(2.7)
Rate changes	-	(1.1)
Adjustments in respect of prior years	0.6	0.2
Total deferred taxation	(0.7)	(3.6)
Total taxation charge on profit or loss on ordinary activities	9.9	6.1

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

11 Taxation on profit or loss on ordinary activities continued

The taxation charge on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 25% (2023: 19.5%). In 2023, the taxation charge on the loss on ordinary activities for the year was higher than the standard rate of corporation tax in the UK of 19.5%. The differences are reconciled below:

	2024 £m	2023 £m
Profit on ordinary activities before taxation	46.1	21.6
Income tax calculated at 25% (2023: 19.5%)	11.5	4.2
Expenses not deductible for tax purposes	0.6	2.7
Income not subject to tax	(0.6)	(1.0)
Adjustment in respect of prior years	0.6	-
Branch, withholding taxes, local, state, trade and similar taxes	0.9	1.3
Impact of overseas tax over UK corporation tax	(2.0)	0.8
Recognition, derecognition and utilisation of tax losses	(3.0)	(1.3)
Losses carried forward on which deferred tax has not been recognised	1.8	1.1
Tax rate changes	-	(1.1)
Difference in tax rate between deferred and current tax	-	(0.3)
Other	0.1	(0.3)
Taxation expense for year	9.9	6.1
Effective tax rate	21.5%	28.2%

No deferred tax asset has been recognised in respect of unutilised tax losses and other temporary differences amounting to £102.3m (2023: £98.7m). Relief for these losses will only be obtained if there is suitable taxable income arising in future years.

Pillar Two – taxation

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 May 2024.

The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group.

Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief is not forecast to apply. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

In line with the FRC's amendments to FRS 102, the Group has applied the exception to recognising and disclosing information in respect of deferred tax assets and liabilities related to Pillar two income taxes, and accordingly does not recognise or disclose information about such deferred tax assets and liabilities.

Factors affecting the tax charge

The Finance Act 2021, enacted on 10 June 2021, included an increase in the corporate tax rate from 19% to 25%, effective from 1 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 is settled.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

12 Dividends

Amounts recognised as distributions to equity holders in the year:

	2024 £m	2023 £m
Dividends paid in year	2.2	-

13 Intangible assets

	Goodwill £m	Software £m	Total £m
Cost			
At beginning of year	3.8	30.3	34.1
Additions ^(a)	1.1	3.0	4.1
Disposals	(0.6)	-	(0.6)
Foreign exchange	-	(0.2)	(0.2)
At end of year	4.3	33.1	37.4
Amortisation and Impairment			
At beginning of year	(3.3)	(23.0)	(26.3)
Amortisation for the year	(0.1)	(3.0)	(3.1)
Disposals	0.6	-	0.6
Foreign exchange	-	0.2	0.2
At end of year	(2.8)	(25.8)	(28.6)
Net book value			
At 30 April 2024	1.5	7.3	8.8
At 30 April 2023	0.5	7.3	7.8

(a) Additions to goodwill relate to contingent consideration for an acquisition made during financial year 2021, that has been recognised during the current financial year as it can be measured reliably. Additions to software primarily relates to the development and implementation of data and reporting tools within the Insurance business.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

14 Property, plant, and equipment

	Leasehold improvements £m	Computer equipment £m	Fixtures, fittings, and equipment £m	Motor vehicles £m	Total £m
Cost					
At beginning of year	40.8	4.5	7.2	0.1	52.6
Additions ^(a)	10.7	1.0	1.1	0.1	12.9
Disposals	(1.6)	(0.2)	(0.7)	(0.1)	(2.6)
Foreign exchange	(0.2)	-	-	-	(0.2)
At end of year^(b)	49.7	5.3	7.6	0.1	62.7
Depreciation and Impairment					
At beginning of year	(18.9)	(3.7)	(6.0)	(0.1)	(28.7)
Depreciation for the year	(3.3)	(0.5)	(0.7)	-	(4.5)
Impairment losses ^(c)	(1.9)	-	-	-	(1.9)
Disposals	1.6	0.2	0.7	0.1	2.6
Foreign exchange	0.1	-	0.1	-	0.2
At end of year	(22.4)	(4.0)	(5.9)	-	(32.3)
Net book value					
At 30 April 2024	27.3	1.3	1.7	0.1	30.4
At 30 April 2023	21.9	0.8	1.2	-	23.9

(a) Additions to leasehold improvements relate to the refurbishment and expansion of the Group's airport lounge network.

(b) Included in the cost at the end of the year is £19.1m relating to airport lounge assets that are under development.

(c) Impairment losses of £1.9m have been recognised on assets under development due to delayed opening of an airport lounge.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

15 Investments

	Joint ventures £m	Associates £m	Other investments £m	Total £m
Carrying amount				
As at 1 May 2023	5.7	0.1	1.5	7.3
Additions ^(a)	1.4	-	-	1.4
Profit for the year	2.7	-	-	2.7
Goodwill amortisation ^(b)	(0.1)	-	-	(0.1)
Dividends received	(0.5)	-	-	(0.5)
Foreign exchange	(0.2)	-	-	(0.2)
As at 30 April 2024	9.0	0.1	1.5	10.6

(a) Additions to joint ventures includes £0.6m non-cash conversion of loan notes to equity associated with a joint venture agreement for the operation and management of airport lounges.

(b) The carrying amount of goodwill is £0.6m (2023: £0.7m)

The Group has funding commitments of £0.8m at 30 April 2024 (2023: £nil) to joint venture arrangements.

Transactions with participating interest undertakings are disclosed in note 30.

16 Deposits with credit institutions

	2024 £m	2023 £m
Deposits with credit institutions	-	20.0

In the previous financial year, deposits with credit institutions consisted of deposits held with various credit institutions with maturities of between three months and one year. These deposits earned interest at a rate between 2.10% and 4.45% per annum.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

17 Trade and other receivables

	2024 £m	2023 £m
Trade receivables	156.6	130.1
Reinsurer's share of technical provisions (note 34.1)	110.6	104.6
Receivables arising out of direct insurance operations (note 34.1)	92.4	72.0
Receivables arising out of reinsurance operations (note 34.1)	1.4	7.9
Deferred acquisition costs (note 34.1)	62.1	41.3
Other receivables ^{(a)(b)}	35.0	33.3
Amounts receivable from parent	0.2	0.2
Derivative financial assets	0.7	5.8
Corporation tax receivables	4.4	3.2
Prepayments and accrued income	86.7	56.1
Deferred tax assets ^(c)	16.4	17.1
	566.5	471.6

(a) Other receivables are stated after provisions for impairment of £6.9m (2023: £4.0m).

(b) Other receivables include amounts falling due after more than one year of £19.0m (2023: £12.2m), including amounts receivable from participating interest undertakings of £6.3m (2023: £5.1m).

(c) Deferred tax assets of £7.9m (2023: £8.5m) fall due in more than one year.

Reinsurer's share of technical provisions and deferred acquisition costs have previously been included within other receivables and prepayments and accrued income respectively. These have been disclosed separately during the current financial year. Comparative amounts have been represented for consistency.

18 Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank and in hand	115.0	76.9
Money market funds, deposits and similar instruments	157.9	111.9
	272.9	188.8
Own funds	220.3	155.7
Restricted cash	52.6	33.1
	272.9	188.8

Restricted cash relates to amounts held on behalf of clients. Corresponding liabilities are included within other creditors in note 19.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

19 Creditors: amounts falling due within one year

	2024 £m	2023 £m
Trade payables ^(a)	74.1	58.8
Payables arising out of direct insurance operations (note 34.1)	58.3	32.7
Payables arising out of reinsurance operations (note 34.1)	56.1	67.2
Provision for unearned premiums (note 34.1)	125.5	99.3
Claims outstanding (note 34.1)	28.4	32.2
Accruals and deferred income	259.5	200.5
Other payables	74.5	50.3
Other taxes and social security	15.1	16.4
Derivative financial liabilities	1.7	-
Corporation tax payables	4.1	4.3
Deferred tax liabilities	-	1.3
	697.3	563.0

(a) Trade payables include amounts payable to participating interest undertakings of £1.4m (2023: £1.5m).

Provision for unearned premiums has previously been included within accruals and deferred income, this has been disclosed separately during the current financial year. Insurance Premium Tax of £11.8m (2023: £10.5m) has previously been included within other payables, in the current financial year this has been disclosed in other taxes and social security. Comparative amounts have been represented for consistency.

20 Creditors: amounts falling due after more than one year

	2024 £m	2023 £m
Amounts falling due between one and five years		
Loans	64.7	63.6
Derivative financial instruments	0.3	-
Other creditors	0.2	-
	65.2	63.6

Loans

Loans include amounts owed under a five-year financing arrangement that the Group entered into in July 2021. The financing arrangement comprises a Term Loan of up to £50.0m and an Acquisition Facility of up to £50.0m. The repayment date of both the Term Loan and the Acquisition Facility is July 2026. At 30 April 2024, £50.0m was drawn under the Term Loan (2023: £50.0m), as the terms of the agreement required that the Term Loan be fully drawn on entering the agreement, and £17.0m (2023: £17.0m) was drawn under the Acquisition Facility. Both loans are charged at SONIA plus a margin of 5.75% to 6.25%, depending on the financial condition of the Group. A commitment fee based on 35% of the applicable margin is charged on the unused portion of the Acquisition Facility. The financing arrangement includes covenant tests on the Group's liquidity and leverage, which the Group reports to the lenders on monthly and quarterly basis respectively. The Group was compliant with the covenant tests under the agreement throughout the current financial year.

Details of charges over the Group's assets held as part of the financing arrangement are disclosed in note 27.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

20 Creditors: amounts falling due after more than one year continued

Other borrowing facilities

The Group's financing arrangements also include a revolving credit facility of £12.5m (2023: £12.5m). At 30 April 2024, this facility was undrawn (2023: £nil drawn). £5.0m of this facility can be used for the issuance of letters of credit, of which £2.6m was utilised at 30 April 2024. Interest is charged at 2.25% and there is a commitment fee charged on the unused portion of the facility.

In May 2024, the Group negotiated certain amendments to the financing arrangement, see note 33 for further details.

21 Provisions for liabilities

	Long term employee benefits £m	Dilapidation provision £m	Other taxes provision £m	Legal provision £m	Total £m
At beginning of year	0.9	0.5	11.3	-	12.7
Additions	0.2	0.1	5.0	0.1	5.4
Amounts utilised	(0.1)	-	(2.9)	-	(3.0)
Amount released in year	-	-	(1.6)	-	(1.6)
Foreign exchange	-	(0.1)	(0.1)	-	(0.2)
At end of year	1.0	0.5	11.7	0.1	13.3

Long term employee benefits provisions relate to certain territories where employees are legally entitled to end of service payments or paid leave after completing a certain length of qualifying service. Uncertainty around both the amount and timing of future outflows arises due to variations in employee retention rates, which vary based on historical experience.

Dilapidation provisions relate to estimated costs to be incurred by the Group as part of its leasing arrangements for its principal offices, where there is an obligation to restore the properties to the condition required by the terms and conditions of the respective lease arrangements. Due to potential future renewals of leases, the timings and potential costs are uncertain.

Other taxes provision relates to estimates of potential liabilities for indirect taxes in certain territories where the Group carries out business. At the beginning of the year, the provision included £2.0m for estimated amounts payable to tax authorities in individual member states of the EU following Brexit. £1.3m of the provision was utilised during the year, and £0.7m released as the provision was no longer required following the Group's registration in the relevant member states of the EU. The provision also includes amounts of £11.7m (2023: £9.3m) which relates to estimates of potential liabilities for indirect taxes in certain other territories where the Group carries out business. During the year, £1.6m of this provision was utilised and £0.9m released as the amount payable and timing of payment were certain at the end of the year.

Legal provision relates to potential legal claims which are expected to be made during financial year 2025.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

22 Deferred taxation

	Unutilised tax losses £m	Capital allowances £m	Provisions & other timing differences £m	Fair value adjustments £m	Total £m
At beginning of year	11.5	0.5	4.2	(0.4)	15.8
Charged in year	(2.2)	(2.4)	5.8	0.1	1.3
Prior year adjustment	(1.1)	0.3	0.5	(0.3)	(0.6)
Foreign exchange	(0.1)	-	-	-	(0.1)
At end of year	8.1	(1.6)	10.5	(0.6)	16.4
Comprising of:					
Deferred taxation assets					16.4
Deferred taxation liabilities					-
					16.4

No deferred tax asset has been recognised in respect of unutilised tax losses and other temporary differences amounting to £102.3m (2023: £98.7m). Relief for these losses will only be obtained if there is suitable taxable income arising in future years.

The Group has made use of a legally enforceable right to set off current taxation assets against current taxation liabilities, and deferred taxation assets and deferred taxation liabilities, relating to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are offset and presented net in the statement of financial position when there is a legally enforceable right to offset current tax amounts and when the deferred taxes relate to the same taxation authority.

The Group expects deferred tax assets of £8.5m to reverse in the financial year 2025 as losses are utilised and capital allowance pools reduce.

23 Share capital

Ordinary shares of £1 each	2024	2023
	£m	£m
Allotted, called-up and fully paid		
200,000 ordinary shares of £1 each	0.2	0.2

The Company has one class of ordinary shares; each share carries one voting right per share with no right to fixed income.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

24 Notes to the cash flow statement

	2024 £m	2023 £m
Profit after taxation	36.2	15.5
Adjustments for:		
Taxation	9.9	6.1
Interest receivable and similar income	(9.2)	(9.7)
Interest payable and similar charges	13.6	8.5
Profit from joint ventures	(2.6)	(1.3)
Profit from disposal of operations	-	(2.2)
Impairment of investments in associates	-	1.5
Operating profit	47.9	18.4
Amortisation of intangible assets	3.1	2.6
Impairment of intangible assets	-	2.5
Depreciation of property, plant, and equipment	4.5	5.6
Loss on disposal of property, plant, and equipment	0.1	-
Impairment (reversal of impairment) of property, plant and equipment	1.9	(0.4)
Impairment of loan receivables	2.7	-
Unrealised foreign exchange loss (gain)	0.5	(0.6)
Provisions utilised	(3.0)	(2.1)
Working capital movements:		
- Increase in trade and other receivables	(102.4)	(144.1)
- Increase in trade and other payables	136.5	175.0
- Increase in provisions for liabilities	3.8	3.0
Net cash from operating activities	95.6	59.9

25 Net debt reconciliation

	At beginning of year £m	Cash flows £m	Changes in market value and exchange rates £m	Acquisition & disposal of subsidiary £m	Other non- cash changes £m	At end of year £m
Cash and cash equivalents	188.8	86.1	(1.7)	(0.3)	-	272.9
Deposits with credit institutions	20.0	(20.0)	-	-	-	-
Loans and borrowings	(63.6)	8.1	-	-	(9.2)	(64.7)
Derivative financial instruments	5.8	(4.8)	(2.3)	-	-	(1.3)
Net debt	151.0	69.4	(4.0)	(0.3)	(9.2)	206.9

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

26 Lease and capital commitments

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

Land and buildings

	2024	2023
	£m	£m
Not later than one year	37.9	31.6
Later than one year and not later than five years	140.0	129.1
Later than five years	182.8	164.3
Total future minimum lease payments	360.7	325.0

The Group had capital commitments totalling £2.8m at 30 April 2024 (2023: £57.5m).

The Group is part of a strategic partnership and contract under which lease costs and capital costs associated with the development of airport lounges are fully reimbursed to the Group. Under this partnership £283.2m (2023: £256.2m) of the future minimum lease payments above and £nil (2023: £50.0m) of capital commitments are reimbursable.

27 Contingent liabilities

There is a fixed and floating charge over all assets of the Group whereby the Group guarantees all amounts due to Kroll Trustee Services Limited who are the agents representing the lenders of our Term Loan and Acquisition Facility. As at the reporting date the amount due to Kroll Trustee Services Limited by certain Group companies was £67.0m (2023: £67.0m).

28 Off-balance sheet arrangements

The Group has operating leases for land and buildings, the commitments under these arrangements are disclosed in note 26. The Group's financing arrangements include letters of credit, details of these are disclosed in note 20. There are no other off-balance sheet arrangements.

29 Post-retirement benefits

The Group operates a defined contribution pension plan for its UK employees. The pension cost charged represents contributions payable by the Group and amounted to £4.3m (2023: £4.3m). Contributions amounting to £0.4m (2023: £0.4m) were outstanding at the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

30 Related party transactions

Transactions between subsidiary companies have been fully eliminated on consolidation and are not disclosed in this note. Transactions with other related parties that were entered into during the year, and the balances outstanding at 30 April are as listed below.

Trading transactions

	Purchase of services		Trade receivable (payable) at 30 April	
	2024	2023	2024	2023
	£m	£m	£m	£m
Joint ventures	31.1	21.0	(1.4)	(1.5)
Associated undertakings	-	-	-	-
Minority interest entities	11.2	9.7	(0.2)	(0.4)

Financing transactions

	Loans during the year		Loan receivable at 30 April ^(a)	
	2024	2023	2024	2023
	£m	£m	£m	£m
Joint ventures	1.1	0.7	5.8	5.1
Associated undertakings	2.7	1.8	-	0.2
Minority interest entities	-	-	0.7	0.7

(a) Gross loan receivables from associated undertakings of £5.0m (2023: £2.6m) are presented net of impairments of £5.0m (2023: £2.4m). An impairment expense of £2.7m (2023: £1.4m) was recognised during the year. Loans to participating interest undertakings are unsecured and are disclosed in note 17.

Other transactions

During the year, £0.2m (2023: £0.4m) was paid on behalf of associated undertakings. As at 30 April 2024, £1.9m (2023: £1.6m) was outstanding, which was fully impaired. Investments into joint ventures and associated undertakings are disclosed in note 15.

31 Key management personnel

The Directors consider the key management personnel of the Group to be the Board of Directors and the executive management committee. During the year the total remuneration of the key management personnel was £8.2m (2023: £7.2m).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

32 Parent undertaking and ultimate controlling party

The ultimate parent undertaking is Parminder Limited, a company incorporated in the Isle of Man. The parent undertaking of the smallest and largest group to consolidate these financial statements is Parminder Investment Limited, a company incorporated in England (company number 13453712). Copies of the consolidated financial statements of Parminder Investment Limited can be obtained from the Company Secretary at 3 More London Riverside, 5th Floor, London, SE1 2AQ.

The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

33 Post balance sheet events

In May 2024 the Group signed revisions to its financing agreements. The revisions include an extension to the period that the Group has access to its existing Acquisition Facility of £50.0m and an increase to amounts available under revolving credit facilities up to £50.0m, of which £10.0m is carved out for letters of credit.

34 Insurance contracts

The Group enters into insurance contracts as part of its activities through its wholly owned subsidiaries Astrenska Insurance Limited (AIL) and Collinson Insurance Europe Limited (CIEL) referred to collectively as the 'insurance companies'. As such the Group is required to apply the provisions of FRS 103 'Insurance Contracts' and the provisions of FRS 102 Section 34 'Specialised Activities' in relation to the financial instruments of the insurance companies within the Group. The following section is compliant with these requirements for the relevant items included within the consolidated financial statements. Where appropriate intercompany transactions between the insurance companies have been eliminated; intercompany transactions between the insurance companies and other group companies are separately disclosed in the notes that follow and are fully eliminated within the consolidated financial statements.

AIL was incorporated on 22 March 1983 and was granted authorisation, under Part 4A of the Financial Services and Markets Act 2000, to write business of insurance within Classes 1, 2, 3, 7, 8, 9, 13, 14, 15, 16, 17 and 18.

CIEL was incorporated on 20 December 2018 and was granted a licence in terms of Section 7 of the Insurance Business Act, 1998 (Cap. 403 of the Laws of Malta) to write business of insurance within Classes 1, 2, 3, 7, 8, 9, 13, 16, 17 and 18.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.1 Summary results

A summary of the results arising from insurance contracts included within the consolidated financial statements is as follows:

	2024 £m	2023 £m
Gross premiums written	321.4	260.3
Earned premiums, net of reinsurance	81.7	54.5
Claims incurred, net of reinsurance	(33.3)	(19.7)
Net operating expense	(45.5)	(32.9)
Consolidated result from the technical accounts of insurance companies	2.9	1.9

Included in operating expenses are amounts with other Group companies of £32.3m (2023: £31.8m).

Total commissions for direct insurance during the year amounted to £149.9m (2023: £91.6m).

A summary of the assets and liabilities of the insurance companies as included in the consolidated financial statements is as follows:

	2024 £m	2023 £m
Assets		
Investments	-	14.0
Reinsurers share of technical provisions	110.6	104.6
Receivables arising out of direct insurance operations	92.4	72.0
Receivables arising out of reinsurance operations	1.4	7.9
Other receivables	-	0.1
Deferred tax	0.8	1.8
Cash and cash equivalents	101.5	73.7
Deferred acquisition costs	62.1	41.3
Prepayments and accrued income	0.4	0.6
Total assets	369.2	316.0
Liabilities		
Provision for unearned premiums	125.5	99.3
Claims outstanding	28.4	32.2
Payables arising from direct insurance operations	58.3	32.7
Payables arising from reinsurance operations	56.1	67.2
Other payables	12.0	10.2
Accruals and deferred income	49.1	38.8
Total liabilities	329.4	280.4

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.2 Particulars of business

An analysis of gross premiums written, and gross premiums earned by class of business in AIL and CIEL is as follows:

	Gross premiums written		Gross premiums earned		Reinsurance balance	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Accident and health	148.2	142.4	145.3	123.4	109.2	96.2
Assistance	84.5	97.2	83.3	84.1	59.6	63.9
Other motor	50.3	-	29.4	-	20.6	-
Damage to property	25.8	9.2	23.9	9.6	14.7	7.1
Miscellaneous financial loss	8.3	11.2	8.4	11.1	5.4	6.7
Income protection	4.3	0.3	3.4	0.3	2.5	0.1
Total	321.4	260.3	293.7	228.5	212.0	174.0

An analysis of gross claims incurred, gross operating expenses and the reinsurance balance by class of business in AIL and CIEL is as follows:

	Gross claims incurred		Gross operating expenses		Reinsurance balance	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Accident and health	66.3	52.5	55.5	54.1	87.6	79.4
Assistance	33.1	30.1	39.7	44.8	49.9	54.5
Other motor	7.0	-	21.3	-	19.5	-
Damage to property	8.6	2.1	15.3	3.9	14.9	4.5
Miscellaneous financial loss	2.5	2.7	6.5	7.1	6.0	6.5
Income protection	0.7	0.1	2.1	0.4	1.9	0.3
Total	118.2	87.5	140.4	110.3	179.8	145.2

Included in operating expenses are amounts with other Group companies of £32.3m (2023: £31.8m).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.3 Insurance contract liabilities and reinsurance assets

The reconciliation of changes in balances within this section relate solely to the insurance contracts and reinsurance assets of AIL and CIEL.

The movement in the unearned premium provision during the year is as follows:

	2024		2023	
	Gross provision £m	Reinsurance asset £m	Gross provision £m	Reinsurance asset £m
At beginning of year	99.3	79.4	65.9	46.1
Increase/(decrease) in provision	25.2	9.9	31.7	31.9
Foreign exchange	1.0	0.7	1.7	1.4
At end of year	125.5	90.0	99.3	79.4

The movement in the provision for claims outstanding during the year is as follows:

	2024		2023	
	Gross Provision £m	Reinsurance asset £m	Gross provision £m	Reinsurance asset £m
At beginning of year	32.2	25.2	13.1	8.6
Claims incurred in current year	118.0	84.6	85.5	66.4
Adjustment to claims incurred in prior years	0.2	0.9	2.5	1.9
Claims paid during year	(121.8)	(89.8)	(69.2)	(51.8)
Foreign exchange	(0.2)	(0.3)	0.3	0.1
At end of year	28.4	20.6	32.2	25.2

The movement in the deferred acquisition costs during the year is as follows:

	2024		2023	
	Gross asset £m	Reinsurance liability £m	Gross asset £m	Reinsurance liability £m
At beginning of year	41.3	33.0	27.6	18.6
Deferred	157.1	78.8	83.7	66.2
Amortisation	(135.8)	(66.3)	(70.6)	(52.3)
Foreign exchange	(0.5)	(0.5)	0.6	0.5
At end of year	62.1	45.0	41.3	33.0

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.4 Management of insurance risks

Insurance risks

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is fortuitous. The terms and conditions of the contract set out the bases for the determination of the Group's liability should the insured event occur. The Group predominately writes personal lines insurance in the International Health and Travel classes, however this year has seen strong growth across the Multi-lines portfolio of specialist covers with a number of existing wholesale partners expanding their relationships, mainly in the Motor Ancillary markets, and as well as new business continuing to flow through in the Mobile and Gadget markets. The majority of underwriting risk to which the Group is exposed is of a short-term nature in view of the lines of business which it writes.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments are significantly different to the amounts included within technical provisions. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amount of claims and benefits may vary from year to year from the estimate established using statistical techniques. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location. The Group's book of business consists of individual policies spread across the whole European area, minimising concentration risk. In addition, the company writes a varied number of types of policies, spanning over a number of different classes of business. This brings an inherent diversification to the risk of claims. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risk accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the potential variability of the expected outcome.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The following are considered by the Group to be the most significant:

- (i) The risk of a single event that can extensively affect a multiple of individual risks to which the Group is exposed.
- (ii) The accumulation of multiple claims within the policy limits for risks which the Group underwrites.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy ensures that the risks underwritten are well diversified in terms of type and amount of risk. The Group follows strict underwriting guidelines and sets limits on the overall retention of risk that it carries. Any risk in excess of this limit is reinsured or is declined. Underwriting limits are in place to enforce appropriate risk selection criteria. In certain circumstances, certain exclusions to risks are included within these guidelines. The Group can impose deductibles to help manage its costs. The Group also uses its experience and

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.4 Management of insurance risks (continued)

expertise to mitigate the risk of fraudulent claims. Insurance contracts also entitle the Group to pursue third parties for payment of some or all of the costs (i.e. subrogation). A significant portion of the Group's business is underwritten through schemes written through a distribution network where underwriting authority limits are set for individual schemes

The directors are of the opinion that a change in the loss ratios will not have a significant effect on the underwriting income/loss in view of the profit commission mechanism in place.

Reinsurance arrangements

The Group has reinsurance protection in place for major classes of business. The type of reinsurance cover, and the level of retention, is based on the Group's internal risk management assessment which takes into account the risk being covered and the sums assured. The Board's of AIL and CIEL approve each reinsurance program on an annual basis. Reinsurance arrangements, both quota share and excess of loss, reduce the Group's exposure to large individual claims or aggregated losses from a single event and dampen the volatility in the underwriting result. This further mitigates catastrophe risk as well as maintains the residual risk within the risk appetite and tolerance levels of the Group. It is generally the Group's policy for reinsurance with non-group entities to be placed with listed multinational reinsurance companies whose credit rating is not less than A.

The Board of Director's of the insurance companies continue to implement a proportional re-insurance diversification programme which aligns with the growth initiatives for the companies. The proportional re-insurance strategy will build on the knowledge and experience gained from the companies current relationships and put in place re-insurance partners who will allow the insurance companies to grow market opportunities while ensuring they fit within the risk appetite of the Collinson Group as a whole.

Claims handling

The Group has outsourced the claims handling of certain classes, to service providers who investigate and adjust claims. Claims are reviewed individually on a regular basis. The Group actively manages and pursues early settlement for claims to reduce its exposure to unpredictable developments.

Sources of estimation uncertainty in future claims payments

The sources of estimation uncertainty in establishing the ultimate liability arising from claims made under insurance contracts.

Claims are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims can be settled over a longer period of time, and a large element of the claims provision relates to incurred but not reported claims (IBNR). The estimated cost of claims includes direct expenses to be incurred in settling claims. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR and a provision for reported claims not yet paid. In calculating the estimated cost of unpaid claims (both reported and not reported), the Group's estimation techniques are a combination of the Bornhuetter-Ferguson method using loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and the Chain-ladder method where an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. An allowance for risk and uncertainty is made within claims outstanding.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.4 Management of insurance risks (continued)

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For large personal injury claims the IBNR will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately to allow for the possible distortive effect of their development and incidence on the rest of the portfolio. Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each year. A development of the estimate of ultimate claim cost for claims notified in a given year is presented later in this note. This gives an indication of the accuracy of the Group's estimation technique for claims payments. The Group has taken the exemption under FRS 103 paragraph 6.3 not to disclose information about claims development that occurred earlier than five years before the end of the first financial year in which it applied FRS 103.

Process used to decide on assumptions

The Group uses assumptions based mainly on internal data to measure its claims liabilities. Internal data is derived mostly from the Group's quarterly claims reports. The Group uses several statistical methods to incorporate the various assumptions made to estimate the ultimate cost of claims. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods. Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each year that is not yet fully developed to produce an estimated ultimate claims cost for each year.

Chain-ladder techniques are most appropriate for those years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business. The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection. The Provision for Adverse Deviations (PAD), an additional provision for claims costs held alongside the claims outstanding and IBNR, is reviewed and approved by the respective Boards for AIL and CIEL. Holding this amount over and above the claims outstanding and IBNR means that the net reserves are sufficient to cover 75% of potential reserve risk scenarios, being in accordance with the risk appetites of the Boards.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.4 Management of insurance risks (continued)

Sensitivity analysis

The following tables present the sensitivity of the value of insurance liabilities to movements in the assumptions used in the estimation of insurance liabilities. AIL and CIEL pay a profit commission to fellow group companies that provide insurance administration services. This is calculated on a stepped scale, dependent on the loss ratio after any margin paid to reinsurers, on all earned premiums.

Therefore, in considering the impact of a change in the loss ratio assumption on profit after tax and equity, this commission has been taken into consideration. To calculate the sensitivity the loss ratio was changed by increasing or decreasing it by 5%, with all other variables remaining constant.

	2024		2023	
	5% increase £m	5% decrease £m	5% increase £m	5% decrease £m
Accident and health	0.9	(0.9)	0.9	(0.9)
Assistance	0.3	(0.3)	0.5	(0.5)
Other motor	0.1	(0.1)	-	-
Miscellaneous financial loss	-	-	-	-
Damage to property	0.1	(0.1)	0.1	(0.1)
Income protection	-	-	-	-
Total impact on gross claims liabilities	1.4	(1.4)	1.5	(1.5)
Total impact on profit after tax and equity	1.4	(1.4)	1.5	(1.5)

The total impact on profit after tax and equity of the insurance companies is inclusive of an impact on profit commissions with other Group companies of £1.0m (2023: £1.1m).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.4 Management of insurance risks (continued)

Claims development tables

The development of insurance liabilities are underwriting year triangles and provide a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how AIL's estimate of total claims outstanding for each year has changed at successive year-ends and CIEL's current estimate of cumulative claims. The table reconciles to the cumulative claims to the amount appearing in the statement of financial position.

(a) Claims outstanding – gross

Underwriting year	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	Total £m
Estimate of ultimate claims costs:											
- At end of reporting period	0.7	1.3	1.8	1.3	2.0	1.7	1.0	4.0	4.8	6.9	25.5
- One year later	12.7	17.4	20.1	14.7	18.1	7.1	17.1	74.2	88.4		269.8
- Two years later	22.1	24.8	26.4	22.1	25.3	14.3	34.6	100.3			269.9
- Three years later	21.6	24.8	27.0	22.2	25.5	16.9	35.5				173.5
- Four years later	21.4	24.1	26.8	22.0	20.3	17.2					131.8
- Five years later	21.4	24.1	26.4	22.1	20.4						114.4
- Six years later	21.4	24.1	26.4	22.1							94.0
- Seven years later	21.3	24.2	26.4								71.9
- Eight years later	21.3	24.2									45.5
- Nine years later	21.3										21.3
Current estimate of cumulative claims	21.3	24.2	26.4	22.1	20.4	17.2	35.5	100.3	88.4	6.9	362.7
Cumulative payments to date	(21.3)	(24.2)	(26.4)	(21.8)	(20.4)	(16.8)	(34.6)	(95.8)	(70.4)	(3.0)	(334.7)
Liability recognised at the reporting date	-	-	-	0.3	-	0.4	0.9	4.5	18.0	3.9	28.0
Provision in respect of prior years											-
Provisions for adverse deviation and shock loss											0.4
Total provision included in statement of financial position at 30 April 2024											28.4

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.4 Management of insurance risks (continued)

(b) Claims outstanding – net

Underwriting year	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	Total £m
Estimate of ultimate claims costs:											
- At end of reporting period	0.5	0.7	1.4	0.9	0.8	0.9	0.9	1.0	1.1	2.3	10.5
- One year later	6.5	11.7	13.2	10.7	9.3	6.6	9.7	15.3	23.7		106.7
- Two years later	10.7	15.8	18.5	14.6	13.1	11.5	13.8	22.9			120.9
- Three years later	10.3	16.1	19.1	14.4	13.2	12.1	14.3				99.5
- Four years later	10.5	16.0	18.9	14.3	13.1	12.4					85.2
- Five years later	10.7	16.0	18.5	14.3	13.1						72.6
- Six years later	10.6	16.0	18.5	14.3							59.4
- Seven years later	10.6	16.1	18.5								45.2
- Eight years later	10.6	16.1									26.7
- Nine years later	10.6										10.6
Current estimate of cumulative claims	10.6	16.1	18.5	14.3	13.1	12.4	14.3	22.9	23.7	2.3	148.2
Cumulative payments to date	(10.6)	(16.1)	(18.5)	(14.3)	(13.1)	(12.0)	(14.1)	(22.5)	(18.8)	(0.9)	(140.9)
Liability recognised at the reporting date	-	-	-	-	-	0.4	0.2	0.4	4.9	1.4	7.3
Provision in respect of prior years											-
Provisions for adverse deviation and shock loss											0.4
Total provision included in statement of financial position at 30 April 2024											7.7

AIL and CIEL hold the following financial instruments, other than those arising from insurance contracts:

	2024 £m	2023 £m
Financial assets that are debt instruments measured at amortised cost		
Deposits with credit institutions	-	14.0
Cash and cash equivalents	101.5	73.7

The carrying value of these financial instruments is considered to approximate to their fair value at the reporting dates.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.5 Financial risk management of the insurance companies

The insurance companies are exposed to a range of financial risks, in particular the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk. The specific risks that AIL and CIEL face due to the nature of their investments and liabilities are currency risk, credit risk and liquidity risk.

(i) Market risk

Interest rate risk

Due to the fact that fixed rates of interest are earned on all deposits with credit institutions, investment returns will not fluctuate because of changes in market interest rates. However, if the Group decided to reinvest the funds then the impact on the interest rates and the ultimate investment return will be subject to fluctuations as a result of the current economic climate.

Currency risk

AIL and CIEL manage foreign exchange risk against their functional currency. Foreign exchange arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. AIL and CIEL are exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than Sterling. AIL and CIEL seek to mitigate the risk by matching the estimated foreign currency denominated liabilities in the same currency by holding claims liabilities in the currency of the liability.

	Financial assets		Financial liabilities	
	2024	2023	2024	2023
	£m	£m	£m	£m
Sterling	245.4	189.7	219.2	165.3
Euro	119.3	122.7	109.9	116.5
US Dollar	2.3	2.3	-	0.2
Norwegian Kroner	2.5	1.2	2.7	0.1
Other	0.2	0.1	-	-
	369.7	316.0	331.8	282.1

Financial assets include financial investments, receivables, cash at bank and in hand and accrued interest.

Insurance liabilities include claims outstanding and payables, excluding accrued commissions payable on accrued income.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.5 Financial risk management of the insurance companies (continued)

As at 30 April 2024, if the Pound had weakened / strengthened by 10% against other currencies, with all other variables held constant, profit for the year and equity for AIL would have been lower / higher as illustrated in the table below.

	2024 £m	2023 £m
Sterling increases by 10%		
Euro	(0.1)	-
US Dollar	(0.2)	0.2
Other	-	-
	(0.3)	0.2
Sterling decreases by 10%		
Euro	0.1	-
US Dollar	0.2	(0.2)
Other	-	-
	0.3	(0.2)

As at 30 April 2024, if the Euro, the functional currency of CIEL, had weakened / strengthened by 10% against other currencies, with all other variables held constant, the net impact on pre-tax profit for the year would be £0.1m (2023: £0.2m).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.5 Financial risk management of the insurance companies (continued)

(ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries; and
- counterparty risk with respect to cash deposits.

The Group manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to geographical and industry segments. Such risks are subject to regular review.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy. Exposure to credit risk in respect of amounts due from policyholders is mitigated by the Group's large customer base and the low average level of balances outstanding. AIL and CIEL are not exposed to concentrations of credit risk in respect of policyholders. There is also mitigation by the operation of controls in this area, including payment on policy acceptance and automated cancellation procedures for policies in default. The assets bearing credit risk are summarised below, together with an analysis by credit rating. Debtors other than amounts due from reinsurers, have been excluded from the table as these are not rated.

	S&P A1 £m	S&P A2 £m	AAAmf £m	Total £m
2024				
Other financial investments	-	-	-	-
Cash and cash equivalents	3.8	-	97.7	101.5
Debtors arising out of reinsurance operations	1.4	-	-	1.4
	5.2	-	97.7	102.9

	S&P A1 £m	S&P A2 £m	AAAmf £m	Total £m
2023				
Other financial investments	14.0	-	-	14.0
Cash and cash equivalents	11.9	6.0	55.8	73.7
Debtors arising out of reinsurance operations	7.9	-	-	7.9
	33.8	6.0	55.8	95.6

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.5 Financial risk management of the insurance companies (continued)

The financial assets that are past due, but not impaired at the reporting date are as follows.

	Total £m	Neither past due nor Impaired £m	Past due but not impaired		
			< 60 days £m	60-120 days £m	> 120 days £m
2024					
Intermediaries	91.3	90.0	1.2	0.1	-
Policy holders	1.0	1.0	-	-	-
Receivables arising out of reinsurance operations	1.4	1.4	-	-	-
Amounts owed by group undertakings	0.5	0.5	-	-	-
Accrued interest	0.4	0.4	-	-	-
Other debtors	-	-	-	-	-
	94.6	93.3	1.2	0.1	-
2023					
Intermediaries	42.3	41.8	-	0.5	-
Policy holders	29.7	28.8	0.7	0.1	0.1
Receivables arising out of reinsurance operations	7.9	7.9	-	-	-
Amounts owed by group undertakings	-	-	-	-	-
Accrued interest	0.4	0.4	-	-	-
Other debtors	0.1	0.1	-	-	-
	80.4	79.0	0.7	0.6	0.1

An allowance of £85k (2023: £45k) has been made for estimated irrecoverable amounts from insurance customers, and an expense of £40k recognised in the current financial year (2023: release of £17k). This is determined by reference to past default experience. All amounts that have not been provided for are expected to be recoverable.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.5 Financial risk management of the insurance companies (continued)

(iii) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The primary liquidity risk is the obligation to pay claims to policyholders as they fall due.

The projected settlement of these liabilities is modelled, on a regular basis, using actuarial techniques. The AIL and CIEL Boards sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand. The table below analyses the maturity of AIL's and CIEL's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows. The amounts disclosed in the table represent undiscounted cash flows.

	Timing of cash flows				Total £m
	Within one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	
2024					
Claims outstanding	24.0	3.8	0.6	-	28.4
Payables arising from direct insurance operations	58.3	-	-	-	58.3
Payables arising from reinsurance operations	56.1	-	-	-	56.1
Other payables including taxation	12.0	-	-	-	12.0
Amounts owing to group undertakings	2.4	-	-	-	2.4
	152.8	3.8	0.6	-	157.2

	Timing of cash flows				Total £m
	Within one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	
2023					
Claims outstanding	27.2	4.3	0.7	-	32.2
Payables arising from direct insurance operations	32.7	-	-	-	32.7
Payables arising from reinsurance operations	67.2	-	-	-	67.2
Other payables including taxation	10.2	-	-	-	10.2
Amounts owing to group undertakings	1.7	-	-	-	1.7
	139.0	4.3	0.7	-	144.0

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

34 Insurance contracts continued

34.6 Capital management of the insurance companies

AIL is regulated by the Prudential Regulation Authority and CIEL is regulated by the Malta Financial Services Authority. Both AIL and CIEL are subject to Solvency II requirements. The Solvency II Directive (2009/138/EC) introduced risk-based, regulatory requirements that ascertain the level of required regulatory capital to be held based on the nature and quantum of risks that each company is or could be exposed to. Under Solvency II AIL and CIEL are required to meet a Solvency Capital Requirement (SCR) to ensure each company is able to meet its obligations over the next 12 months as well as a Minimum Capital Requirement (MCR) being the threshold below which the national regulator would intervene.

As a consequence, the Directors manage the capital with the following objectives:

- to comply with the insurance capital requirements to hold eligible own funds to cover the Solvency Capital Requirement (“SCR”) and the Minimum Capital Requirement (“MCR”);
- to safeguard the company’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to maintain financial strength to support new business growth;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently to support growth; and
- to manage exposures to movement in exchange rates.

AIL and CIEL manage their capital in accordance with their Capital Management Policy which sets their objectives, policy, and processes, which includes:

- capital planning to ensure the companies hold the right amount of capital to meet their objectives; and
- capital allocation to ensure the companies maximise their capital returns.

The capital supporting the underwriting within the Group consists primarily of ordinary share capital and other shareholder funds. The Group will also consider alternative sources of capital, including reinsurance and securitisation, as appropriate, when assessing its deployment and usage of capital.

Both companies aim to ensure sufficient capital is held in excess of their SCR and MCR at all times. As at the reporting date on an aggregated basis AIL and CIEL had available capital to meet Solvency requirements of approximately – £44.7m (2023: £33.5m (unaudited)) against a combined SCR of £21.3m (2023: £15.1m (unaudited)).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

35 Investments in subsidiary and related undertakings

A list of subsidiaries, joint ventures and associates as at 30 April 2024 is detailed below. All subsidiaries are included in the Group consolidation, refer to note 3.1 for further description of the consolidation method used to account for subsidiaries. The percentage of shares held by Group companies reflect both the proportion of capital and voting rights unless otherwise stated. All subsidiary undertakings are indirectly owned by The Collinson Group Ltd unless otherwise stated.

Subsidiary undertakings incorporated in the United Kingdom

Name	Ordinary shares held %	Registered address
Airport Dimensions Holdings Limited*	100%	1
Airport Dimensions Partnership Holdings Limited	100%	1
Airport Dimensions Partnership Limited	100%	1
Airport Lounge Development Limited	100%	1
ALD OGH UK Ltd	75%	1
Astrenska Insurance Holdings Limited	100%	1
Astrenska Insurance Limited	100%	1
Collinson (Central Services) Limited	100%	1
Collinson Company Secretarial Services Limited*	100%	1
Collinson Finance Limited	100%	1
Collinson IG (Management) Ltd	100%	1
Collinson Insurance (Holdings) Limited*	100%	1
Collinson Insurance Brokers Ltd.	100%	1
Collinson Insurance Group Limited	100%	1
Collinson Insurance Services Limited	100%	1
Collinson International Limited*	100%	1
Collinson Investments Limited*	100%	1
Collinson Service Solutions Limited	100%	1
Columbus Insurance Services Limited	100%	1
ICLP Worldwide Ltd	100%	1
International Airline Passengers Association (Group Publications) Limited	100%	1
International Customer Loyalty Programmes (Holdings) Limited	100%	1
International Customer Loyalty Programmes (Overseas Holdings) Limited	100%	1
International Customer Loyalty Programmes Limited	99%	1
Lounge Gateway Limited	100%	1
Lounge Key Limited	100%	1
Partnership Marketing Agency Limited	100%	1
Preferential Direct Limited	100%	1
Priority Pass Limited	100%	1
Priority Travel Group (Holdings) Limited	100%	1

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

35 Investments in subsidiary and related undertakings continued

Subsidiary undertakings incorporated in the United Kingdom (continued)

Name	Ordinary shares held %	Registered address
The Collinson Group (Overseas Holdings) Limited	100%	1
Valuedynamx Holdings Limited*	100%	1
Valuedynamx Limited	100%	1
Vivid Lime Ltd	100%	1

Subsidiary undertakings incorporated outside the United Kingdom

Name	Country of incorporation	Ordinary shares held %	Registered address
Collinson Group Pty Ltd	Australia	100%	7
The Collinson Group Australia Pty Ltd	Australia	100%	7
Valuedynamx PTY Limited	Australia	100%	7
Airport Dimensions Participacoes Ltda.	Brazil	100%	17
Collinson Brasil Ltda.	Brazil	100%	15
Collinson Do Brasil Desenvolvimento De Softwares E Servicos Ltda	Brazil	100%	16
Collinson (Shanghai) Co., Ltd.	China	100%	8
Collinson (Shanghai) Loyalty Co. Ltd	China	100%	35
Bienvenue Financière SAS	France	100%	6
Collinson SAS	France	100%	6
ALD Asia Pacific Limited	Hong Kong	100%	4
Collinson Holdings (Hong Kong) Limited	Hong Kong	100%	4
Collinson International (Hong Kong) Limited	Hong Kong	100%	4
Lounge Key AP Limited	Hong Kong	100%	4
Priority Pass (A.P.) Limited	Hong Kong	100%	4
Collinson Loyalty & Benefits Private Limited	India	100%	9
Collinson Services India LLP	India	100%	9
Collinson (Japan) K.K.	Japan	100%	20
Collinson Group (Trademarks) Limited	Malta	100%	5
Collinson Holdings Europe Limited	Malta	100%	5
Collinson Insurance Europe Limited	Malta	100%	5
Collinson Insurance Solutions Europe Limited	Malta	100%	5
Airport Dimensions Peru SAC	Peru	100%	37
Collinson Peru S.A.C.	Peru	100%	21
International Customer Loyalty Programmes for Marketing	Saudi Arabia	100%	24
Collinson (Singapore) Pte. Ltd.	Singapore	100%	11

Notes to the Consolidated Financial Statements

For the year ended 30 April 2024

35 Investments in subsidiary and related undertakings continued

Subsidiary undertakings incorporated outside the United Kingdom (continued)

Name	Country of incorporation	Ordinary shares held %	Registered address
Priority Pass (Asia) Pte. Ltd.	Singapore	100%	10
The Collinson Group (Asia) Pte. Ltd.	Singapore	100%	10
Collinson (ASPAC) Pte. Ltd.	Singapore	100%	11
Collinson Group South Africa (Pty) Ltd	South Africa	100%	12
ICLP Ltd	Switzerland	100%	22
Onground Hospitality LLC	United Arab Emirates	100%	23
AD Overseas Holdings, Inc.	United States	100%	2
AD Partnership Holdings, Inc.	United States	100%	2
AD Partnership, LLC	United States	100%	3
Airport Lounge Development, Inc.	United States	100%	3
Airport Lounge Operations, LLC	United States	80%	3
ALD CLE Holdings, LLC	United States	100%	3
ALD Development Corp.	United States	100%	2
ALD Flohport LLC	United States	85%	13
ALD GLN Holdings, LLC	United States	100%	3
ALD MSY Holdings, LLC	United States	100%	3
ALD US Holdings, Inc.	United States	100%	2
ALDJCM LLC	United States	75%	14
Collinson (USA) Inc.	United States	100%	2
Collinson Assistance Services, Inc.	United States	100%	2
Collinson Inc.	United States	100%	2
Collinson Insurance Brokers Inc.	United States	100%	3
Frequent Flyer Club Of America, Inc.	United States	100%	3
IAPA (Travel Services) Inc.	United States	100%	2
Lounge Key Inc.	United States	100%	2
Priority Pass, Inc.	United States	100%	3
Priority Travel Group (USA) Ltd.	United States	100%	2
The Club at Phx Inc.	United States	100%	18
The Collinson Group (USA) Ltd	United States	100%	2
Valuedynamx, Inc.	United States	100%	2

The Collinson Group Limited
Annual report and financial statements
Registered Number 11141096

35 Investments in subsidiary and related undertakings continued

Joint ventures and associates

Name	Country of incorporation	Ordinary shares held %	Registered address
Joint Ventures			
Ambar Lounge FOR Espaco VIP Ltda	Brazil	50%	26
Ambar Lounge POA Espaco VIP Ltda	Brazil	50%	27
Ambar Lounge SSA Espaco VIP Ltda	Brazil	50%	28
Ambar Lounge VCP Espaco VIP Ltda	Brazil	50%	29
SSP AD Lounges HK Limited	Hong Kong	49%	38
Game Space Gaming Venue LLC	United Arab Emirates	50%	30
NAS ALD Mena LLC	United Arab Emirates	50%	32
Swissport ALD Holdings Limited	United Kingdom	49%	1
WithU Travel Limited	United Kingdom	50%	36
Global Lounge TK MIA Term E, LLC	United States	50%	31
OGH Gulf Hospitality WLL	Qatar	49%	33
Associates			
Inflyter SAS	France	49%	34
GAD-25 LLC	United States	25%	2
Cursus Technologies Inc.	United States	29%	25

* Shareholding in subsidiary directly held by The Collinson Group Limited

The Collinson Group Limited
Annual report and financial statements
Registered Number 11141096

35 Investments in subsidiary and related undertakings continued

Company registered office addresses

Number	Registered address
1	3 More London Riverside, 5th Floor, London, SE1 2AQ
2	1209 Orange Street, Corporation Trust Center, New Castle County, Wilmington DE 19801
3	1999 Bryan Street, Suite 900, Dallas TX 75201
4	1601-1602, 16th Floor Taikoo Place, Oxford House, 979 King's Road, Quarry Bay, Hong Kong
5	Third Floor, Development House, St. Anne Street, Floriana, FRN 9010, Malta
6	85 Rue Pierre Duhem, 13290 Aix-en-Provence, France
7	Level 13, 124 Walker Street, North Sydney NSW 2060
8	Suite 925, No. 706 Huashan Road, Pudong New District, Shanghai
9	512, Ascot Centre, Next to Hotel Hilton, Sahar Road, Andheri (E) Mumbai MH 400099
10	150 Cecil Street, #14-01, 069543, Singapore
11	152 Beach Road, #20-01/04 Gateway East, Singapore 189721
12	Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 South Africa
13	4400 Easton Commons Way, Suite 125, Columbus OH 43219
14	1202 Camp St, New Orleans, LA 70130
15	Avenida Angelica, 2447 – 1st Floor, Rooms 11 - 16, Sao Paulo/SP, Consolacao, 01227-200
16	Av Brigadeiro Luis Antonio, 2050, Andar 15 Sala 10, Bela Vista, Sao Paulo, CEP 01318-002
17	Avenida Sao Luis, 50, 33rd Floor, suite #332, CEP 01046-926, Downtown, Sao Paulo, State of Sao Paulo
18	CT Corporation system, 3800 N Central AVE STE 460, Phoenix, AZ 85012, USA
19	Montagu Pavilion Building, 8-10 Queensway, Gibraltar
20	21-21, Akasaka 3-chome, Minato-ku, Tokyo
21	456 Av. Camino Real, Urb. Centro Comercial Camino Real, San Isidro, Lima
22	Schiffbaustrasse 8, 8005 Zürich, Switzerland
23	Abu Dhabi International Airport, Business Centre, Executive Desk 040, Abu Dhabi
24	3141 Anas Ibn Malik Rd, Al Malqa, Riyadh 13521, Saudi Arabia
25	3302 Canal Street, Suite 13, Houston TX 77003
26	Avenida Senador Carlos Jereissati, número 3000, T1, 3º andar, LUC T1.N3.022, bairro / distrito Aeroporto, município Fortaleza - CE, CEP 60.741-900
27	Avenida Severo Dullius, número 90010, Terminal Passag 1 Andar 3 Embarque Domestico Lado Ar Sala T1.N3.022, bairro / distrito Anchieta, município PORTO ALEGRE - RS, CEP 90.200-310
28	Praça Gago Coutinho 000540; Edif: Aeroporto Inter. De Salvador; Loja:2.04; Pavmto: 2 -Aeroporto Salvador - Bahia CEP: 41602065.
29	Cidade de Campinas, Esrado de Sao Paulo, na Rodovia Santos Dumont s/n º, Parque Viracopos, Sala VIP Ambaar Lounge Terminal de Passagerios 1, Edificio Aeroporto International de Viracopos, CEP 13052-902
30	PO BOX 115667, Executive Towers, Business Bay, Dubai, United Arab Emirates
31	Schwartz, Frank, 100 Biscayne Blvd, Suite 1300, Miami, FL 33132 US
32	Abu Dhabi International Airport, Business Park 01, Office No. 112, Abu Dhabi
33	2nd Floor, Building 14, Arkaan Block, Barwa Commercial Avenue, P.O. Box. 31487, Doha, Qatar
34	191-195 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France
35	Room 101, Building 7, No.25, Lane 1726 Jiandong Road, Pudong New Area, Shanghai, China
36	The Carriage House, Mill Street, Maidstone, ME15 6YE
37	Av. Camino Real No. 456, Int. 1202, Centro Comerical Camino Real, Torre Real Piso 12, District of San Isidro, Lima, Peru
38	Suites 1201-2 & 12-14, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong

The Collinson Group Limited
Annual report and financial statements
Registered Number 11141096

35 Investments in subsidiary and related undertakings continued

For the year ended 30 April 2024, certain subsidiary undertakings were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to the audit of accounts. The members of the following subsidiary undertakings have not required them to obtain an audit of their financial statements for the year ended 30 April 2024.

Subsidiary undertaking	Registered number
Airport Dimensions Holdings Limited	11291574
Airport Dimensions Partnership Holdings Limited	13411751
Airport Dimensions Partnership Limited	13413145
Airport Lounge Development Limited	03924796
Astrenska Insurance Holdings Limited	10330418
Collinson (Central Services) Ltd	03924803
Collinson Finance Limited	09242165
Collinson IG (Management) Ltd	06648389
Collinson Insurance (Holdings) Limited	06311859
Collinson Insurance Brokers Ltd.	02952154
Collinson Insurance Group Limited	06312711
Collinson Insurance Services Limited	00758979
Collinson International Limited	02577557
Collinson Investments Limited	11524334
Collinson Service Solutions Limited	02474708
Columbus Insurance Services Limited	02642155
ICLP Worldwide Ltd	06297514
International Customer Loyalty Programmes (Holdings) Limited	06311788
International Customer Loyalty Programmes (Overseas Holdings) Limited	06312662
International Customer Loyalty Programmes Limited	02132179
Lounge Gateway Limited	06708537
Lounge Key Limited	08792537
Partnership Marketing Agency Limited	05732839
Preferential Direct Limited	03375210
Priority Pass Limited	02728518
Priority Travel Group (Holdings) Limited	06309844
The Collinson Group (Overseas Holdings) Limited	06607918
Valuedynamx Holdings Limited	13366172
Valuedynamx Limited	06708136
Vivid Lime Ltd	03924823

Company Statement of Financial Position

As at 30 April 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investments	5	37.4	40.7
		37.4	40.7
Current assets			
Trade and other receivables	6	59.2	58.2
Cash at bank		-	-
		59.2	58.2
Current liabilities			
Creditors: amounts falling due within one year	7	(0.1)	-
		(0.1)	-
Net current assets		59.1	58.2
Net assets		96.5	98.9
Capital and reserves			
Called up share capital	8	0.2	0.2
Retained earnings		96.3	98.7
Total equity		96.5	98.9

The loss for the year of the Company was £0.2m (2023: profit of £90.9m).

The financial statements on pages 96 to 101 were approved by the Board of Directors on 13 September 2024 and signed on its behalf by

Colin Robert Evans

Director

The notes on pages 98 to 101 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 April 2024

	Share capital £m	Retained earnings £m	Total £m
At 1 May 2023	0.2	98.7	98.9
Loss for the year	-	(0.2)	(0.2)
Other comprehensive income	-	-	-
Total comprehensive income	0.2	98.5	98.7
Dividends paid	-	(2.2)	(2.2)
At 30 April 2024	0.2	96.3	96.5
At 1 May 2022	0.2	7.8	8.0
Profit for the year	-	90.9	90.9
Other comprehensive income	-	-	-
Total comprehensive income	-	90.9	90.9
At 30 April 2023	0.2	98.7	98.9

The notes on pages 98 to 101 are an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 30 April 2024

1 General information

The Collinson Group Limited (the Company) is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office and principal place of business is 3 More London Riverside, 5th Floor, London, SE1 2AQ.

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

For the period ended 30 April 2024, the principal activity of the Company is that of a group holding company.

2 Basis of preparation

The Company financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, 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 The Collinson Group Limited.

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.

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:

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

The Company has taken advantage of the exemption available under Section 408 in the Companies Act 2006 not to present its individual statement of comprehensive income.

The Company financial statements have been prepared on a going concern basis as further described in note 3.1 to the consolidated financial statements.

3 Accounting policies

The accounting policies applied by the Company are set out within the accounting policies of the consolidated financial statements presented on pages 49 to 57.

Notes to the Company Financial Statements

For the year ended 30 April 2024

4 Critical accounting judgments and key sources of estimation uncertainty

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. 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.

Critical judgements in applying the Company's accounting policies

(i) Assessing indicators of impairment in investments in subsidiary undertakings

In assessing whether there have been any indicators of impairment, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

4.1 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

Management estimates the recoverable value of receivables and establishes a provision for the amount that is estimated not to be recoverable. In assessing recoverability management considers the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

5 Investments in subsidiary undertakings

	£m
Carrying amount at beginning of year	40.7
Impairment	(3.3)
Carrying amount at end of year	37.4

A provision for impairment loss of £3.3m has been recognised relating to the investment in Collinson Investments Limited, reflecting that certain receivables held in this subsidiary are also impaired. Details of subsidiary undertakings in which the Company has an indirect investment are included in note 35 of the consolidated financial statements. 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 %
Airport Dimensions Holdings Limited	United Kingdom	Ordinary	100
Collinson Company Secretarial Services Limited	United Kingdom	Ordinary	100
Collinson Insurance (Holdings) Limited	United Kingdom	Ordinary	100
Collinson International Limited	United Kingdom	Ordinary	100
Collinson Investments Limited	United Kingdom	Ordinary	100
Valuedynamx Holdings Limited	United Kingdom	Ordinary	100

Notes to the Company Financial Statements

For the year ended 30 April 2024

6 Trade and other receivables

	2024 £m	2023 £m
Due within one year		
Amounts due from ultimate parent undertaking	0.1	0.1
Amounts owed by group undertakings	59.1	58.1
	59.2	58.2

7 Creditors: amounts falling due within one year

	2024 £m	2023 £m
Due within one year		
Other creditors	0.1	-
	0.1	-

8 Share capital

	2024 £m	2023 £m
Allotted, called-up and fully paid		
200,000 ordinary shares of £1 each	0.2	0.2

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

9 Off balance sheet arrangements

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

10 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. There were no other related party transactions that require disclosure during the year ended 30 April 2024 (2023: none).

Notes to the Company Financial Statements

For the year ended 30 April 2024

11 Parent undertaking and ultimate controlling party

At the reporting date, the Company's immediate parent undertaking is Collinson Group Holdings Limited, a company incorporated in England (company number 13418440). The Directors regard Parminder Limited, a company incorporated in the Isle of Man, to be the Company's ultimate parent undertaking. Parminder Limited does not prepare consolidated financial statements. The ultimate controlling parties identified by the Directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans. The parent undertaking of the largest group for which group accounts are prepared is Parminder Investments Limited, a company incorporated in England (company number 13453712). The Collinson Group Limited is the smallest group for which group accounts are prepared.

12 Post balance sheet events

Post balance sheet events are described in note 33 of the consolidated financial statements.