

Registration number: 11334338

Wednesday Bidco Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2021



Wednesday Bidco Limited

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Wednesday Bidco Limited

Company Information

Directors	C J McCavert D A Retif
Company secretary	J Brown
Registered office	Shortlands 5th Floor 3 Shortlands Hammersmith London W6 8DA
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ
Bankers	National Westminster Bank 22 Kings Mall Hammersmith London W6 0PZ
Legal	Travers Smith LLP 10 Snow Hill London EC1A 2AL Fox Williams LLP 10 Finsbury Square London EC2A 1AF

Wednesday Bidco Limited

Strategic Report for the Year Ended 31 October 2021

The Directors in preparing Strategic Report, have complied with S414C of Companies Act 2006.

The Company is a subsidiary of Wednesday Topco Limited (the 'Group').

Principal activity

The principal activity of the Company is that of a corporate holding company.

Review of the business

The loss for the year was £38,276k (2020: £26,172k), and the net assets position was £124.9m (2020 net liabilities position: £58.5m). Operating loss for the year was £618k (2020: £1,116k), inclusive of £356k (2020: £595k) of operating exceptional items. Current year and prior year expenses relate to the impact of COVID-19 and related fundraising in the year, with net finance costs of £37,658k (2020: £25,056k).

Key performance indicators

The Company has no specific key performance indicators and the Company's ultimate parent company, Wednesday Topco Limited, has disclosed its key performance indicators. The financial statements of Wednesday Topco Limited can be obtained from the address in note 19.

Principal risks and uncertainties

The key business risks affecting the Company are considered to be the same risks as those affecting the wider Group and are set out below. Risks are formally reviewed by the Board and appropriate processes are put in place to monitor and mitigate them.

COVID-19 impact

The worldwide pandemic resulting from the emergence and spread of the COVID-19 virus from March 2020 has caused significant disruption to the travel industry and the wider Group. Whilst there have been a number of lockdowns and restrictions to international travel implemented and subsequently lifted during the last 24 months, with the successful vaccination programme, and the lifting of travel restrictions, the pandemic poses less of a risk as evidenced by the short lived impact of the Omicron variant post year end. Management continues to monitor developments closely so that immediate action can be taken in response to a change in situation. During the financial year, the business adopted a framework favouring sales to destinations where travel has no restrictions or is less restricted to ensure an effective return on carefully managed marketing investment, minimise incremental costs as a result of disruption, mitigate against reduced consumer goodwill and limit cash exposure on future cancellations. This has continued post year end.

The business continues to proactively review and manage its exposures and customer refund obligations arising because of the pandemic. Cash management is regularly reviewed by Management to ensure adequate liquidity is in place to manage the business requirements and adequately meet its regulatory and banking covenants. When each lockdown has been announced Management has thoroughly reviewed its financial forecasts and liquidity outlook to ensure sufficient resources are in place for the next 24 months ahead. It was because of these detailed reviews that the Group entered into the fundraising exercise during the previous financial year to secure sufficient funding to meet its financial obligations whilst the nation faced continued travel restrictions.

Furthermore, following the announcement of lockdown three in January 2021, a further fundraising exercise was initiated because of the extension of travel restrictions until mid May 2021. Once again, robust financial forecasts and scenarios were compiled, defining the required funding and successfully completed on 23 April 2021 raising £56.0m of available funds for the Group.

Wednesday Bidco Limited

Strategic Report for the Year Ended 31 October 2021 (continued)

Principal risks and uncertainties (continued)

Destination disruption

Providers of holiday and travel packages are exposed to the inherent risk of incidents affecting destinations to which holiday packages are sold. This can include catastrophes caused by climate conditions such as hurricanes, political unrest, terrorist attacks or the outbreaks of disease such as the recent global spread of the COVID-19 virus, which can lead to international travel restrictions. There is a risk that if such an event occurs, impacting one or more of the destinations we offer, there could be a significant decline in demand for holidays to the affected destinations over an extended period of time as we have seen during the spread of the COVID-19 virus. The business provides a diversified destination offer to mitigate this risk and is also able to promptly reduce marketing spend and protect operating margins for such disruptions.

The Directors are extremely concerned and saddened by the situation in Ukraine. The wider Group have made donations to charities that support the relief efforts. The Directors consider the current risk to the business and its consumers to be remote and of no impact to management's assessment of the wider Group's going concern.

Consumer confidence risk

The wider Group is dependent on the consumer's willingness to travel and to sustain certain levels of disposable income on travel. However, the wider Group's value driven customer experience and destination agnostic search reduce the potential impacts of the consumer confidence risk and once it returns the wider Group considers the business to be in a very strong position to provide customers with their long awaited holidays.

Brexit risk

The UK left the European Union ("EU") on 31 December 2020 following the referendum held on 23 June 2016 ("Brexit"). The business has been proactively ensuring its Irish point of sale is adequately licensed under local and European regulations, and internal systems are updated to manage business within the EU.

Regulatory risk

The travel industry continues to rapidly evolve, driven by innovation and technology as the travel experience becomes more digitalised. The business regularly reviews legal and regulatory changes or introductions to ensure adequate implementation and compliance. Our responsibility is to protect the confidentiality, integrity and availability of the data we have to provide to our customers, employees, suppliers and service delivery teams. This is a dynamic risk due to the increased global cyber-crime activity and new regulations such as the General Data Protection Regulations ("GDPR").

In particular, GDPR places more focus on data protection and consequently impacts the Group's processes and controls. Future regulations are likely to have a similar impact. The Group ensured GDPR compliance by the implementation date which came into effect in May 2018.

The Group continues to ensure it has the appropriate level of security controls in place across the business as any breach could have a significant impact on our key stakeholders, associated reputational damage and potential for financial implications.

The Package Travel Directive came into force on 1 July 2018 which was aimed at increasing the accountability of travel agents. This has meant the Group has additional responsibilities and liabilities to the consumer in the event their holiday is unable to be fulfilled. This has resulted in the Group compensating the customer if something goes wrong but has been mitigated by counter claims lodged by the Group against the end suppliers. As a result of the COVID-19 pandemic this has been challenging given the unprecedented volume of refunds during the period, but processes have been implemented with our core end suppliers to mitigate financial exposure in meeting consumer obligations under the Directive, including provisions to cover these additional potential liabilities.

Wednesday Bidco Limited

Strategic Report for the Year Ended 31 October 2021 (continued)

Principal risks and uncertainties (continued)

Supply risk

The wider Group acts as an agent between consumers and travel suppliers and is therefore entirely reliant on third parties to supply travel services to our consumers. Although the wider Group has insurance policies in place, the disruption from supplier failure may impact the profitability of the business.

Whilst the impact of the supplier failure of an airline can be material, the wider Group purchases flights from a number of airlines and purchases these flights using virtual cards which are protected by chargeback rights. The wider Group's hotel portfolio includes larger bed banks and also direct relationships with hotel chains. The wider Group minimises its exposure to any hotel supplier failure losses in the most part by settling liabilities subsequent to the consumers' check out date. The wider Group maintains close relationships with its regulators and across the industry to ensure it is well informed and able to react quickly to any potential supplier failures.

Financial risk

The wider Group uses external financing provided by its parent companies to support its strategy. The parent companies provide financing with a combination of equity, senior bank debt, long term loan notes, long term preference shares and deferred consideration.

In May 2018, the wider Group raised senior debt funding from a syndicate of five financially stable lenders for a seven-year term which were subject to financial covenants and undertakings that the Directors monitor. Since then, two further fundraising rounds have occurred in July 2020 and April 2021. As part of the fundraising which occurred this year, the existing Loan notes of £131.3m held by Wednesday Midco Limited, a wholly owned subsidiary of Wednesday Topco Limited, were converted into preference shares in Wednesday Topco Limited. A further £56.0m of funding was secured through the issuance of £51.0m of D loan notes by the Company and £5.0m seasonal Revolving Credit Facility (RCF). Upon completion of this recent fundraising exercise, the Directors consider the funding base of the Company and the wider Group to be robust.

The loan notes and preference shares, which are subordinate to the senior debt, are repayable at the earlier of an exit event or 2026 and 2027 respectively. During 2019, £120.8m of A loan notes and £0.5m of PIK notes were listed on The International Stock Exchange (TISE) in Guernsey. This was subsequently delisted in 2021. In December 2021, £51.0m of D Loan notes were listed on TISE in Guernsey.

The Company agreed in 2018 to pay £20.0m of deferred consideration to the vendors of Want2bthere Limited; £10.0m of this was paid in 2019, with the remaining £10.0m expected to be paid in 2020, but following the fundraising exercise required in light of COVID-19, it was agreed for this payment to be deferred until market conditions return to more sustainable levels. As a result of the government's enforcement of lockdown three from 4 January 2021, the wider Group entered into a further round of fundraising which successfully completed on 23 April 2021.

Future developments

Following the completion of the fundraising exercise on 23 April 2021, and the removal of the majority of travel restrictions in the UK and destination countries, the Directors believe that the wider Group is well positioned to provide customers with its travel services. The wider Group intends to continue investing in the development of new technologies to drive customer booking levels.

Employment of disabled persons

Management believes in the practical daily commitment to promoting equality of opportunity in our workplace and want to nurture a sense of belonging through a fully integrated, inclusive community at work. The Company and wider Group welcomes job applications from all backgrounds and wants all applicants to feel they can belong to the business, providing reasonable adjustments during the recruitment process when requested.

The Company and wider Group gives full and fair consideration to all requests for reasonable adjustments from our employees and have engaged an occupational health provider to provide advice and guidance in this area. During COVID-19, provision has been made to ensure that employees are set up to work as comfortably as possible from home and provided additional equipment where requested.

Wednesday Bidco Limited

Strategic Report for the Year Ended 31 October 2021 (continued)

Employment of disabled persons (continued)

The wider Group also put in place an Employee Assistance Programme to provide independent, confidential support and advice, including counselling, to all employees who may need it.

Employee engagement

The Directors recognise the importance of keeping employees informed and consulted on issues which affect them, particularly during the extended period of remote working triggered by COVID-19. A Senior Management Team was formed in the prior year, which now comprises 33 leads and department heads - the remit for members of this group includes acting as a conduit to convey company-level information to their teams and taking feedback in return. This has already been proved to have been effective in the rollout of our new Target Operating Model in the prior year.

Quarterly engagement surveys are carried out to monitor how employees are feeling about working for the Company and the wider Group and to allow concerns to be raised anonymously. The results of these surveys are analysed and fed back to employees, with any department-specific issues followed up with the relevant Executive team member.

In addition to the above, the Company and the wider Group canvasses employee views separately on specific issues which impact them e.g. returning to the office following the pandemic.

There is a Group wide monthly all-hands meeting to which all employees are invited and use this as a forum for the Directors to share information about the current performance of the Group, as well as details of work taking place across the business. This is also used as a forum for employees to ask questions in advance, which are answered in the meeting by the Directors or other relevant department heads where necessary. This has been particularly important to reassure employees during COVID-19 and consistently generates positive feedback.

The CEO issues a weekly email update to all employees which covers a trading update, the current situation in relation to the impact of COVID-19 on the travel industry, and other timely updates, including the celebration of successes.

Section 172(1) statement

This section forms the Company's Section 172(1) Statement and should be read in conjunction with the Company's strategic report as a whole set out on pages 2 to 5. The key stakeholders and the methods of engagement described below, are the key stakeholders that the Directors have identified as being relevant to the Company. The Directors are aware that their statutory duties are owed directly to the Company and that the interests of the Company and the other companies within the wider Group are closely aligned. Accordingly, the decisions and policies affecting these stakeholders may be made at a Group level, or by the Directors of the Company.

Wednesday Bidco Limited

Strategic Report for the Year Ended 31 October 2021 (continued)

Engaging with stakeholders

Details of the Company's key stakeholders and examples of how the Company engages with each stakeholder is set out below.

Stakeholder	Engagement Practices
Shareholders	Wednesday Bidco Limited is a subsidiary of the Wednesday Topco Limited Group, which is owned by several shareholders. The shareholders are members of the management team and external investors. The shareholders receive regular reporting from the Board. The Primary Investor has two Investor Directors appointed to the Board to ensure shareholders are actively engaged with the decision-making process. The intermediary holding companies and operating entities within the Wednesday Topco Limited Group are wholly owned Group owned entities and as such shareholder engagement is managed within the Group environment, via the executive management structure.
Community & Environment	The Company as part of the wider Group proactively contributes to local community schemes and promotes energy and sustainability initiatives in the workplace and wider community.
Employees	The employing entities in the Group are Want2bthere Limited and Wednesday Bidco Limited. As a Group, regular 'all hands calls' are held to update the employees on business performance and key issues. These all hands calls showcase teams from different areas of the business. Employees are given opportunities to provide feedback to executive management during the year.
Suppliers	There are several KPIs in place with suppliers who are kept informed regarding any issues that may arise. There is an on-boarding process which requires confirmation of supplier compliance with loveholidays terms and conditions and Health and Safety policies.
Senior Debt Lenders	Monthly reporting is provided in line with lender reporting requirements. The Senior Debt Lenders are updated on key business developments.

Decision making

The Board of Directors have delegated the day to day running of the business to the executive management team. The Directors receive regular and timely information on all aspects of the business from the management team and report regularly to the board. The Board makes decisions after debating and carefully considering all management information received, which includes the relevant stakeholder considerations.

The impact of the global COVID-19 pandemic on the wider Group's business has been significant and as such, the Directors have had to consider the impact of the pandemic on the business, alongside the interests of its key stakeholders during the financial year.

Example of strategic decision making process and execution

An example of strategic decision making during the financial year by the Group and its parents is the fundraising exercise completed in April 2021. The Directors of the Group and its parent entities undertook the strategic decision to deliver funding to the main trading Group of the business, whose parent company is Want2bthere Limited, by consultation throughout the process with shareholders, regulators and advisors, seeking their views and opinions on forecasting scenarios, structure of the funding requirement and delivery to the main trading group of Want2bthere Limited. This also involved engagement to consider the continual impact on, and interests of suppliers, employees, customers and customer refund profiling as a result of the COVID-19 pandemic. This was achieved by daily committee meetings with shareholders, lenders and business leaders to understand current funding requirements, priorities and project status updates, sessions with advisors to determine appropriate forecasting scenarios, regular dialogue with suppliers regarding booking cancellations and refund recovery supported by regular communications with customers to inform them of their refund status. Regulatory stakeholders were also kept regularly updated.

Wednesday Bidco Limited**Strategic Report for the Year Ended 31 October 2021 (continued)****Streamlined Energy and Carbon Reporting (SECR)**

The wider Group's energy consumption, in kilowatt-hours (kWh), and associated greenhouse gas emissions, in tonnes of carbon dioxide equivalent (tCO₂e), and additional related information for the year, as required under the Companies Directors' Report and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are stated below.

	2021	2020
Emissions from the combustion of fuel and operation of facilities (Scope 1) (tCO ₂ e)	-	-
Emissions from purchase of electricity (tCO ₂ e) (Scope 2) (location-based)	16.6	39.0
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO ₂ e) (Scope 3)	0.6	5.0
Total gross emissions based on the above (tCO₂e)	17.2	44.0
Energy consumption used to calculate Scope 1 emissions (kWh)	-	-
Energy consumption used to calculate Scope 2 emissions (kWh)	79,226	156,703
Energy consumption used to calculate Scope 3 emissions (kWh)	3,107	19,250
Total energy consumption based on above (kWh)	82,333	175,953
Intensity ratio: tCO₂e (gross Scope 1, 2 + 3) per full-time equivalent (FTE)	0.06	0.17

The footprint for the year ended 31 October 2021 is equivalent to 17.2 tCO₂e (2020: 44.0) and 0.06 tCO₂e (2020: 0.17) per FTE. This estimate covers all of the Group's operations that are consolidated in the financial statements and the sites used to conduct these operations.

Methodology

The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach. Energy was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2021.

Energy efficiency action

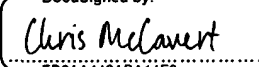
The Group offices are leased, serviced offices controlled by the lease provider. Energy efficiency measures included in the leased offices include fitted LED lighting with movement sensors, air conditioning units which can be controlled individually by facilities staff, and power down options of IT equipment to reduce energy usage in unoccupied areas.

Decreased office occupancy during COVID-19 has resulted in reduced energy consumption. In addition COVID-19 has presented the chance to utilise remote working technologies and the hosting of online meetings, thereby reducing staff travel and reducing the Group's environmental impact.

29-Apr-22 | 22:07 BST

Approved by the Board of Directors on and signed on its behalf by:

DocuSigned by:


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 CJ McCavert
 Director

Shortlands 5th Floor
 3 Shortlands
 Hammersmith
 London
 W6 8DA

Wednesday Bidco Limited

Directors' Report for the Year Ended 31 October 2021

The Directors present their annual report on the affairs of the Wednesday Bidco Limited (the Company), together with the audited financial statements and Auditor's Report for the year ended 31 October 2021.

Future developments

Details of the future developments can be found in the Strategic Report on page 4 and form part of this report by cross reference.

Events after the reporting date

Details of reportable events after the reporting date can be found in note 20.

Financial risk management objectives and policies

The Company's principal financial instruments comprise intercompany loans and cash. The main purpose of these financial instruments is to provide funding for the Company's operations. The Company also has an interest rate option which was entered into to mitigate the risk of interest rate volatility.

The Company's activities expose it to a number of financial risks including liquidity risk and interest rate risk. The Company reviews and agrees policies for managing each of these risks as detailed below:

Liquidity risk

Working capital requirements are constantly monitored and, upon completion of the fund raising exercise in April 2021, the Directors consider there to be adequate working capital within the business for at least the next 12 months.

Interest rate risk

Interest is charged on the various debt components negotiated by the Company in May 2018 and the funds raised within the year. The senior debt facility is subject to a variable rate, the deferred consideration is at a stepped interest rate and the new D Loan notes are at a fixed interest rate. Interest is charged/credited to the Company's cash balances at variable rates; with the current low level of interest the Directors do not consider it necessary to further mitigate the interest rate risk.

Dividends

The Directors have not recommended a dividend (2020: £nil).

Going concern

Following the successful completion of the fundraising exercise on 23 April 2021, raising £56.0m of incremental cash for the Group including a £5.0m RCF facility available during the winter months, and the reopening of travel and successful vaccination programmes within Europe, the Directors consider it appropriate to prepare the financial statements on a going concern basis. The Company proactively manages its liquidity position and the rigorous and regular forecasting processes provide comfort in the funding base for the foreseeable future. For further information regarding the basis of preparation of the financial statements see note 3 Accounting Policies.

Wednesday Bidco Limited

Directors' Report for the Year Ended 31 October 2021 (continued)

Directors of the Company

The Directors, who held office during the year and subsequently, were as follows:

C J McCavert

D Smith (resigned 25 March 2021)

A L Yateman-Smith (resigned 25 March 2021)

D A Retif

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Political contributions

There are no political contribution made during the year (2020: £nil).

Auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Reappointment of auditor

In accordance with S485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

29-Apr-22 | 22:07 BST

Approved by the Board of Directors on and signed on its behalf by:

DocuSigned by:



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C J McCavert

Director

Shortlands 5th Floor
3 Shortlands
Hammersmith
London
W6 8DA

Wednesday Bidco Limited

Directors' Responsibilities Statement

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent Auditor's Report to the Members of Wednesday Bidco Limited

Report on the audit of the financial statements

1) Opinion

In our opinion the financial statements of Wednesday Bidco Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20.

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

2) Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3) Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> • <i>Valuation of unlisted investments</i>
Materiality	The Company is part of the wider Wednesday Topco Ltd group, therefore to ensure the extent of the procedures performed are sufficient to support the group audit opinion, we capped the Company's materiality at £540,000 which represents 0.4% of the Company's net assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

4) 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.

Independent Auditor's Report to the Members of Wednesday Bidco Limited (continued)

4) Conclusions relating to going concern (continued)

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included our assessment of the entity's:

- Assessing the historical accuracy of forecasts prepared by management.
- Evaluating the amount of headroom available in the forecast in order to assess the covenant compliance over the going concern.
- Assessing the assumptions used in the forecasts, including the discount rate, and growth rate.

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

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

5) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Valuation of unlisted investments

Key audit matter description	<p>The company has unlisted investments of £274.7m as at 31 October 2021, valued at cost less provision for impairment. These investments comprise investments in Want2bthere Ltd and are highly material to the company as they account for 99.7% of total assets.</p> <p>Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as the trading performance, the expected revenue growth and discount rates.</p> <p>Management assesses the investment for impairment by preparing a discounted cashflow model for the Wednesday Topco Ltd group (the parent company of Wednesday Bidco Ltd) as there is only one cash generating unit within the group.</p> <p>Further details are included within note 13 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of relevant controls related to the valuation of unlisted investments.</p> <p>We obtained the most recent audited financial information of the related investments to determine whether they supported the carrying value.</p> <p>We reviewed key assumptions used when determining the carrying value by benchmarking against industry peers. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.</p> <p>In addition to the above procedures, we obtained and challenged the discounted cashflow (DCF) of the group, which includes the forecasts of the investee's underlying subsidiaries, by performing the following procedures:</p> <ul style="list-style-type: none"> • assessed how management have determined the cash generating units; • assessed the reasonableness of revenue and costs forecasts; • evaluated how the discount rate was determined; and • assessed the cash flow projections by checking the reasonableness of the inputs used such as the growth rate and the discount rate.
Key observations	<p>Based on the work performed, we concluded that the valuation of unlisted investments is appropriate.</p>

Independent Auditor's Report to the Members of Wednesday Bidco Limited (continued)

6) Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£540,000 (2020: £970,000).
Basis for determining materiality	0.4% of net assets (2020: 3% of net assets) The Company is part of the wider Wednesday Topco Ltd group therefore, to reflect our assessment of the risks in the Company as a member of the group we capped the Company's materiality at £540,000 which represents 0.4% of the Company's net assets. This materiality has been applied for the statutory audit to ensure the extent of the procedures performed are sufficient to also support the group audit opinion
Rationale for the benchmark applied	We determined materiality based on net assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by net assets value movements.

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit (2020: 80%). In determining performance materiality, we considered the quality of the control environment, and the fact that there was no prior year misstatement.

6.3 Error reporting threshold

We agreed with the Board of Directors that we would report to the directors all audit differences in excess of £27,000 (2020: £49,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7) An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2 Our consideration of the control environment

We worked with IT specialists to gain an understanding of the IT environment. There have been no changes to the IT environment in the current period. Key IT systems relevant to the audit are the financial accounting system and the reservation system. We have not relied on IT controls for the purpose of our audit in either the current or prior year.

Independent Auditor's Report to the Members of Wednesday Bidco Limited (continued)

8) 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 within the annual report.

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

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

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

We have nothing to report in respect of these matters.

9) Responsibilities of directors

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

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

10) Auditor's responsibilities for the audit of the financial statements

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

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

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

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;

Independent Auditor's Report to the Members of Wednesday Bidco Limited (continued)

11.1. Identifying and assessing potential risks related to irregularities (continued)

- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax legislation, employment laws and the anti-bribery act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Civil Aviation Authority (CAA) and the Commission for Aviation Regulation (CAR).

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with the licensing authorities – the Civil Aviation Authority (CAA) and the Commission for Aviation Regulation (CAR); and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report to the Members of Wednesday Bidco Limited (continued)

12) Opinions on other matters prescribed by the Companies Act 2006

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

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

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

13) Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14) Use of our report

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

Alistair Pritchard FCA

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Alistair Pritchard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
London

Date: 29 April 2022

Wednesday Bidco Limited**Statement of Profit and Loss for the Year Ended 31 October 2021**

	Note	2021 £ 000	2020 £ 000
Revenue	5	1,091	1,450
Administrative expenses		(1,353)	(1,971)
Other operating exceptional items	9	<u>(356)</u>	<u>(595)</u>
Operating loss	10	(618)	(1,116)
Net finance costs	11	<u>(37,658)</u>	<u>(25,056)</u>
Loss before taxation		(38,276)	(26,172)
Tax on loss	12	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(38,276)</u></u>	<u><u>(26,172)</u></u>

The above results were derived from continuing operations.

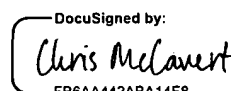
There are no further recognised items of other comprehensive income for the current and preceding financial period and as a result no statement of other comprehensive income is presented.

Wednesday Bidco Limited**Statement of Financial Position as at 31 October 2021**

	Note	31 October 2021 £ 000	31 October 2020 £ 000
Assets			
Non-current assets			
Investments	13	274,744	224,547
Total non-current assets		274,744	224,547
Current assets			
Trade and other receivables	14	727	2,486
Cash at bank and in hand		-	-
Total current assets		727	2,486
Total assets		275,471	227,033
Equity and liabilities			
Capital reserves			
Called-up share capital	15	-	-
Capital contribution	15	221,696	-
Retained earnings	15	(96,780)	(58,504)
Total equity		124,916	(58,504)
Non-current liabilities			
Loans and borrowings	16	118,443	41,981
Trade and other payables	17	-	38,933
Total non-current liabilities		118,443	80,914
Current liabilities			
Trade and other payables	17	22,125	182,116
Loans and borrowings	16	9,987	22,507
Total current liabilities		32,112	204,623
Total liabilities		150,555	285,537
Total equity and liabilities		275,471	227,033

The financial statements of Wednesday Bidco Limited (registered number: 11334338) were approved by the Board of Directors and authorised for issue on 29-Apr-22 | 22:07 BST

They were signed on its behalf by:

DocuSigned by:

FB6AA442ABA14F8.....
 C J McCavert
 Director

The notes on pages 20 to 35 form an integral part of these financial statements.

Wednesday Bidco Limited

Statement of Changes in Equity for the Year Ended 31 October 2021

	Called-up share capital	Capital contribution	Retained earnings	Total
	£ 000	£ 000	£ 000	£ 000
At 1 November 2019	-	-	(32,332)	(32,332)
Loss for the year	-	-	(26,172)	(26,172)
Total comprehensive loss	-	-	(26,172)	(26,172)
At 31 October 2020	-	-	(58,504)	(58,504)
At 1 November 2020	-	-	(58,504)	(58,504)
Loss for the year	-	-	(38,276)	(38,276)
Total comprehensive loss	-	-	(38,276)	(38,276)
Capital contribution	-	221,696	-	221,696
At 31 October 2021	-	221,696	(96,780)	124,916

The notes on pages 20 to 35 form an integral part of these financial statements.

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021

1 General information

Wednesday Bidco Limited (the "Company") is a private company limited by share capital, registered in England and Wales, incorporated and domiciled in United Kingdom.

The address of its registered office is:

Shortlands 5th Floor

3 Shortlands

Hammersmith

London

W6 8DA

England

The nature of the Company's operations and its principal activities of the Company are set out in the Strategic Report on pages 2 to 7.

The functional currency of Wednesday Bidco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2 Adoption of new and revised standards

Amendments to IFRS that are mandatorily effective for the current year

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group adopts the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

2 Adoption of new and revised standards (continued)

New and revised IFRS standards in issue but not yet effective

The following new standards and amendments of standards were issued by the IASB but are not effective for the financial year 2021.

Amendments to IAS 37	Onerous Contracts-Cost of Fulfilling a Contract	Effective 1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Effective 1 January 2023
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	Effective 1 January 2022
Amendments to IFRS 3	References to Conceptual Framework	Effective 1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	Effective 1 January 2022
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	Effective 1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	Effective 1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	Effective 1 January 2023
IFRS 17	Insurance Contracts	Effective 1 January 2023

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

3 Accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council ("FRC"). Accordingly these financial statements were prepared in accordance with Financial Reporting Standards 101, Reduced Disclosures Framework.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the historical costs basis. Historical cost is generally based on the full value of the consideration given in exchange for the goods and services.

Summary of disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of financial statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

3 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(1) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Wednesday Topco Limited. The consolidated financial statements of Wednesday Topco Limited are publicly available and may be obtained from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA.

Exemption from preparing group financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by S400 of the Companies Act 2006 because it is a wholly-owned subsidiary of Wednesday Topco Limited which prepares consolidated financial statements in accordance with FRS 101 that are publicly available and may be obtained from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. These financial statements present information about the Company as an individual undertaking and not about its Group.

Going concern

As at the date of approval of these financial statements, the impact of COVID-19 on the travel industry has shown significant signs of improvement, with the removal of all COVID-19 legal restrictions in England in February 2022, including the requirement to self-isolate. In addition, the UK's success in the roll-out of its vaccination programme and further easing of local restrictions in source destinations has resulted in increased consumer confidence and appetite to travel.

Due to the measures taken by Governments worldwide to get the COVID-19 outbreak under control, from March 2020 and throughout the majority of the remainder of the previous financial year, holidaymakers were unable to depart for their booked holiday nor were they able to book future holidays given the government restrictions on international travel. This disruption continued in this financial year with national lockdowns enforced and ever complicating travel restrictions around the world however departure rates during the summer months exceeded initial expectations and the business successfully sent over 194,000 passengers on holiday. In spite of some green shoots, the business continued to experience unprecedented levels of booking cancellations for bookings that were unable to depart due to the travel restrictions. As a result, marketing and variable costs were switched off with almost immediate effect to mitigate cash outlays in this respect. As a result of the cancellation of holidays during the year given government guidance against travelling and destination border closures, customers were due refunds where they did not choose to amend their original booking, and were offered either an ATOL protected refund credit note or cash.

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021(continued)

3 Accounting policies (continued)

Going concern (continued)

During the current financial year the wider Group refunded over £145m in cash to customers (2020: over £200m).

As outlined in the Strategic Report, the Group successfully completed a fundraising exercise in July 2020 raising £37.5m of incremental funds by incumbent Lenders to the ring fenced trading group whose parent is Want2bthere Limited. This fundraising provided sufficient liquidity for the business assuming a moderate resumption of international travel from January 2021 and included £12.5m from the government's Coronavirus Large Business Interruption Loan Scheme ('CLBILS').

In the current year, whilst certain restrictions were easing in November 2020, cases began to rise again in the UK and Europe during December 2020 leading to the return of UK government travel restrictions from 4 January 2021. As a result, the Group undertook a further fundraising exercise which successfully completed on 23 April 2021 raising £51.0m of incremental funds and an additional £5.0m RCF facility available during the winter months between October and April to April 2023 also from incumbent Lenders. Management prepared detailed financial forecasts and a number of scenarios to determine the liquidity requirement going forward. This fundraising provided sufficient liquidity for the Group on the assumption that moderate levels of travel to European holiday destinations commences from September 2021 and a return to pre-crisis levels from January 2023. The trading to date has surpassed these levels.

The Group is applying rigorous control measures to ensure holidays are on sale for appropriate departure dates depending on FCDO guidance and whether destination borders are open and ensuring marketing costs are kept to a minimum depending on consumers ability to travel. Variable and fixed costs are also monitored closely on a regular basis to ensure in line with forecast scenarios.

During the fundraising exercise in April 2021, debt covenants were suspended and redrawn going forward. With this funding in place, and 2022 business performance to date outperforming forecasts as a result of Covid-19 restrictions easing, this scenario is not expected to give rise to a breach of the covenants in the debt facilities. As a result of these factors, the Directors have prepared the financial statements on a going concern basis.

The Directors are extremely concerned and saddened by the situation that is unfolding in Ukraine. The wider Group has made donations to charities that support the relief efforts. The Directors consider the current risk to the business and its consumers to be remote and of no impact to management's assessment of the Company's going concern.

Revenue recognition

Revenue relates to the recharges of management services to other Group companies. Revenue is recognised at the point performance obligations are met.

Operating exceptional items

The Company recognises as operating exceptional items costs incurred that arise from events or transactions that fall outside the normal course of business.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

3 Accounting policies (continued)

Tax (continued)

Deferred taxation is provided in full on timing differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax and rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to scale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expected, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Investments

Fixed asset investments are stated at cost less any provision for diminution in value and reassessed for impairment annually.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

3 Accounting policies (continued)

Loans and borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit or loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Pension costs

The wider Group makes contributions into defined contribution plans. The wider Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the risk financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

3 Accounting policies (continued)

Financial assets and liabilities (continued)

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value of financial assets and liabilities

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i) Operating exceptional items

The Company recognises as operating exceptional items costs incurred that arise from events or transactions that fall outside the normal course of business.

Judgement is exercised by management in determining what is outside the normal course of business.

Key source of estimation uncertainty

The Directors consider the following to be the key sources of estimation uncertainty with significant effect on the amounts recognised in the financial statements.

i) Financial instruments - loans and borrowings

The Company recognises loans and borrowings at amortised cost less any directly attributable issue costs. The interest expense is spread over managements' best estimate of the life of the loans and borrowings.

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****5 Revenue**

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021	2020
	£ 000	£ 000
Management recharges	<u>1,091</u>	<u>1,450</u>

All turnover is attributable to the United Kingdom.

6 Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £17.2k (2020: £13.8k). This amount was borne by the Company's subsidiary Want2bthere Limited.

7 Staff costs

The average monthly number of employees (including Executive Directors) was:

	2021	2020
	Number	Number
Administration	5	6
IT	<u>2</u>	<u>2</u>
	<u>7</u>	<u>8</u>

The aggregate payroll costs (including Executive Directors' remuneration) were as follows:

	2021	2020
	£ 000	£ 000
Wages and salaries	906	1,131
Social security costs	117	150
Defined contribution pension costs	<u>25</u>	<u>30</u>
	<u>1,048</u>	<u>1,311</u>

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company including the Directors of the Company listed on page 9.

No further key management personnel are considered in addition to the Directors.

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****8 Directors' remuneration**

The Directors' remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Emoluments	649	1,030
Company contributions to money purchase pension schemes	17	27
	<u>666</u>	<u>1,057</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2021 Number	2020 Number
Accruing benefits under defined contribution pension scheme	<u>2</u>	<u>3</u>

In respect of the highest paid Director:

	2021 £ 000	2020 £ 000
Emoluments	449	407
Defined contribution pension costs	11	9
	<u>460</u>	<u>416</u>

9 Other operating exceptional items

During the year the Company incurred restructuring costs and associated fundraising costs of £356k (2020: £595k).

10 Operating loss

Arrived at after charging:

	Note	2021 £ 000	2020 £ 000
Other operating exceptional items	9	356	595
Shareholder costs		<u>181</u>	<u>254</u>

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****11 Net finance cost**

	2021	2020
	£ 000	£ 000
Interest payable and similar expenses		
Interest on loan notes	24,291	-
Interest on senior debt facility	5,967	5,614
Interest expense on deferred consideration	800	734
Gain on debt extinguishment	(2,489)	-
Non-utilisation fees on additional senior debt and overdraft	256	547
Interest on intercompany loans	8,558	17,725
	<u>37,383</u>	<u>24,620</u>
Other finance costs		
Other financing related costs	275	436
Total net finance costs	<u>37,658</u>	<u>25,056</u>

12 Tax on loss

Tax charged in the statement of profit and loss:

	2021	2020
	£ 000	£ 000
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Arising from origination and reversal of temporary differences	-	-
Tax charge in the statement of profit and loss	<u>-</u>	<u>-</u>

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%).

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****12 Tax on loss (continued)**

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Loss before taxation	(38,276)	(26,172)
UK tax of 19% (2020: 19%)	(7,272)	(4,973)
Expenses not deductible	4,767	139
Effects of group relief/other reliefs	2,071	4,070
Amounts not recognized	434	764
Total tax charge	-	-

Deferred tax

	£ 000
At 1 November 2020	-
Charge to the statement of profit and loss	-
At 31 October 2021	-

A deferred tax asset of £nil has been recognised at 31 October 2021 (2020: £nil).

At the end of the reporting period the Company had an unrecognised deferred tax asset of £2.0m (2020: £nil).

The tax charge for the year is based on the effective rate of UK corporation tax for the period of 19% (2020: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

13 Investments

	2021 £ 000	2020 £ 000
Investments in subsidiaries	274,744	224,547
Subsidiaries		
Cost or valuation		
At 1 November 2020		224,547
Additions		50,197
At 31 October 2021		274,744
Carrying amount		
At 31 October 2021		274,744
At 31 October 2020		224,547

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

13 Investments (continued)

The current year addition relates to Wednesday Bidco Limited's investment in Want2bthere Limited. As part of the fundraising exercise in April 2021, Wednesday Bidco Limited derecognised its receivable due from Wednesday Midco Limited of £50,197k and recognised a corresponding increase in its investment in Want2bthere Limited.

Details of undertakings

Subsidiary undertakings	Country of registration or incorporation	Class	Shares held %	Principal activity
Want2bthere Limited*	England	Ordinary	100	Provision of Head Office Services
We Love Holidays Limited*	England	Ordinary	100	Exploitation of intellectual property
WLH US Holidays Limited*	England	Ordinary	100	Holding company
We Love Holidays Ireland Limited*	Ireland	Ordinary	100	Holding company
We Love Holidays LLC*	U.S.	Ordinary	100	Collection agent
Amamos Las Vacaciones SL*	Spain	Ordinary	100	Provision of contracting services

* Held indirectly by a subsidiary undertaking.

The registered address for the UK based subsidiaries is Shortlands 5th Floor, 3 Shortlands, Hammersmith, London, W6 8DA. The registered address for We Love Holidays LLC is 1201 Hays Street, Tallahassee, Florida, U.S. 32301. The registered address for Amamos Las Vacaciones SL is Paseo Del Borne 143, 07012-Palma de Mallorca, Mallorca. The registered address of We Love Holidays Ireland Limited is Unit 9 – Oriel Hub, Finnabair Industrial Estate, County Louth, Ireland.

Wednesday Midco Limited, as the guarantor to the Group's senior debt facility, has a fixed charge over its entire investment in the Company to secure the borrowings. There is also a fixed charge over the Company's investment held in Want2bthere Limited. The Group had drawn down on £40.0m (2020: £40.0m) in relation to the senior debt facility and had drawn down £nil (2020: £22.1m) on the revolving committed facilities at the year end.

14 Trade and other receivables

	31 October 2021 £ 000	31 October 2020 £ 000
Amounts falling due within one year		
Amounts due from ultimate and parent company	39	39
Amounts due from subsidiary undertakings	396	2,220
VAT	228	65
Prepayments	25	86
Other receivables	-	5
Derivative financial assets	39	71
	<u>727</u>	<u>2,486</u>

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****14 Trade and other receivables (continued)**

Amounts owed from ultimate and parent company and subsidiary undertakings are unsecured, interest free and repayable on demand.

15 Called-up share capital**Allotted, called-up and fully paid shares**

	31 October 2021		31 October 2020	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The Company's shares with a nominal value of £1 (2020: £1) have been pledged to secure the borrowings of the Company as at 31 October 2021. The Company had drawn down £40.0m (2020: £40.0m) in relation to the senior debt facility and had drawn down £nil (2020: £12.5m) on the committed revolving credit facility as at 31 October 2021.

Capital contribution

The capital contribution reserve relates to an increase in distributable profit as a result of derecognising the intercompany loan payable to Wednesday Midco Limited as part of the fundraising in April 2021.

Retained earnings reserve

The retained earnings reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

16 Loans and borrowings

	31 October 2021 £ 000	31 October 2020 £ 000
Non-current loans and borrowings		
Senior debt	45,172	42,245
Capitalised costs of raising debt	(1,731)	(264)
Loan notes and accrued interest	<u>75,002</u>	<u>-</u>
	<u>118,443</u>	<u>41,981</u>

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****16 Loans and borrowings (continued)**

	31 October 2021 £ 000	31 October 2020 £ 000
Current loans and borrowings		
Deferred consideration	9,987	10,007
Bank borrowings	-	12,500
	<u>9,987</u>	<u>22,507</u>

The senior debt facility is secured by a debenture charged over the Company's assets.

Deferred consideration

As part of the transaction, Wednesday Bidco agreed to pay £20.0m of deferred consideration to the vendors of the business with interest payable at a rate of 6% from completion (being 24 May 2018) to 31 December 2018 and a rate of 8% thereafter. During the year, no principal repayments were made (2020: no payments). Payment of the remaining principal of £10.0m is dependent on the availability of funds and ability to meet CAA leverage requirements, and is not expected to be repaid until recovery from the COVID-19 pandemic.

Senior debt

The Company drew down £30.0m of external debt at the time of the 2018 transaction and a further £10.0m was drawn down in the prior year.

In April 2021, due to the prolonged effect of COVID-19 and the challenges on the travel industry with traffic light systems and lock downs throughout Europe, the Group entered into a re-financing agreement that included changes to terms of Facility A (£20.0m) and B (£20.0m). The maturity date of these is now 24 May 2025. The annual PIK rate changed to a range of 7.5% -15.0% (subject to a leverage ratchet) + SONIA from 24 July 2021. The PIK interest rolls up at the end of each interest period up to a maximum of three months.

At the year end, the Group remained fully drawn down on these facilities with £40.0m drawn (2020: £40.0m).

Loan notes

During the fundraising exercise in April 2021, the Company raised £51.0m through the issuance of D Loan notes. They carry an interest rate of 8% and a redemption premium of four x principal.

Wednesday Bidco Limited**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****17 Trade and other payables**

	31 October 2021 £ 000	31 October 2020 £ 000
Amounts falling due within one year		
Trade payables	-	-
Amounts due to subsidiaries	21,310	6,962
Amounts due to ultimate and parent company	-	173,800
Social security and other taxes	495	211
Accrued expenses	174	1,127
Other payables	146	16
	<u>22,125</u>	<u>182,116</u>

	31 October 2021 £ 000	31 October 2020 £ 000
Amounts falling due after more than one year		
Trade and other payables	<u>-</u>	<u>38,933</u>

As part of the fundraising exercise in April 2021, the Intercompany loan payable balance of £221.7m to Wednesday Midco Limited was waived. As a result, Wednesday Bidco Limited has recognised a capital contribution.

18 Related party transactions

As a qualifying entity, the Company has taken advantage of the exemption under FRS 101 not to disclose transactions with wholly owned Group companies.

Loans from management

During the year, the Company received loans in the form of deferred consideration from the following related parties:

	31 October 2021 £ 000	31 October 2020 £ 000
As at 1 November	2,162	2,162
Interest charged on deferred considerations to key management personnel	67	115
Interest charged on deferred considerations to connected persons	58	58
Payment of interest on deferred consideration to key management personnel	(67)	(115)
Payment of interest on deferred consideration to connected persons	(58)	(58)
As at 31 October	<u>2,162</u>	<u>2,162</u>

Wednesday Bidco Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

18 Related party transactions (continued)

Issue of loan notes

During the period, the Group issued loan notes to the following parties:

	31 October 2021 £ 000	31 October 2020 £ 000
As at 1 November	-	-
Loan notes issued to a shareholder with significant influence	36,800	-
Interest charged on loan notes to a shareholder with significant influence	1,549	-
Loan notes issued to key management personnel	1,000	-
Interest charged on loan notes to key management personnel	42	-
As at 31 October	39,391	-

19 Parent and ultimate parent undertaking

The Company's ultimate parent is Wednesday Topco Limited. These financial statements are available upon request from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. The Directors consider Livingbridge EP LLP to be the ultimate controlling party.

The largest and smallest group of which Wednesday Bidco Limited is a member and for which consolidated financial statements are prepared by Wednesday Topco Limited with the registered address of 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. Copies of consolidated financial statements can be obtained from the Company Secretary at the aforementioned registered address.

20 Events after reporting date

Subsequent to the year end, the £51.0m D loan notes issued during the year in Wednesday Bidco Limited were listed on the International Stock Exchange (TISE) in Guernsey.

In February 2022, Ukraine was invaded by Russia. The Directors are extremely saddened and concerned about this situation and have made donations to charities that support the relief efforts. The Directors consider the current risk to the business and its consumers to be remote and of no impact to management's assessment of the Company's going concern.

Subsequent to the year end, the effects of the Omicron variant were experienced by the wider Group which first became apparent in the UK towards the end of November 2021. This did impact consumer confidence for a short period whilst the effects of the new variant were unknown but was short lived with minimal impact on the wider Group's trading performance and liquidity.