On the Beach Group plc

Annual Report and Accounts

FOR THE YEAR ENDED 30 SEPTEMBER 2024

11549 ATOL PROTECTED

TOTAL FINANCIAL PROTECTION

On the Beach Group plc is one of the UK's largest online package holiday specialists, with significant opportunities for growth.

Financial highlights

Group revenue[1]	Group TTV[2]	Cash
£128.2m	**£1,164.9m**	**£96.2m**
FY23: £112.1m	FY23: £1,011.8m	FY23: £75.8m

Profit before tax[1]	Adjusted profit before tax[3]	Trust account
£26.5m	**£31.0m**	**£139.5m**
FY23: £14.4m	FY23: £24.8m	FY23: £108.6m

Contents

1. The prior periods are restated for the effects of discontinued operations.
2. Group Total Transaction Value ('TTV') is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and adjustments. The prior periods are restated for the effects of discontinued operations.
3. A full reconciliation of all non-GAAP measures to the closest equivalent GAAP measure is included in the glossary. The prior periods are restated for the effects of discontinued operations.

At a glance

Since our inception in 2004 we've evolved from short haul beach destinations to also offering long haul and premium beach holidays and city breaks.

Our mission

We help people holiday better and more often

Our values

We're **bold**

We're **open**

We're **dynamic**

Key:

– Selected top selling short haul and long haul destinations

Chairman's statement

FY24 has been a pivotal year for the Company as we undertook transformational changes to position ourselves for future growth.

I am pleased to present the Annual Report and Accounts of On the Beach Group plc for the financial year ended 30 September 2024.

Financial performance

In FY24, the Company delivered another record-breaking financial performance. Group Total Transaction Value ('TTV') reached £1.2 billion (+15% year-on-year), and Group adjusted PBT reached £31.0m, up +25% from prior year. The CFO report provides further detail on the financial results, on page 24.

Transformational partnership with Ryanair

A major milestone this year was the signing of a transformational partnership with Ryanair. This partnership opens up new opportunities for collaboration and growth, enabling us to expand our offering and to bring value, choice and flexibility to more customers through our ATOL protected package holidays. See page 10 for further information.

Strategic expansion

We took the opportunity of the new partnership with Ryanair to review and refresh our strategy. During FY24 we expanded into an additional 21 city destinations, and launched www.onthebeach.ie in Ireland, through which we can provide Irish customers with package holidays. This expansion allows us to increase our addressable market and to cater for more of our customers' holiday needs. Further details can be found on pages 12 to 15.

Cash and liquidity

At 30 September 2024, the Group had a combined cash balance of £235.7m, being £96.2m in Group cash and £139.5m of customer prepayments held in a ringfenced trust account. As outlined in the CFO's report on page 27, the Group also has access to a £85m revolving credit facility.

In line with its capital allocation strategy, the Board has adopted a dividend policy at 25% of net earnings. In May 2024, the Board declared an interim dividend of 0.9p per share. The Board is recommending a final dividend in respect of FY24 of 2.1p per share, to be approved by shareholders at our AGM in February 2025.

With a strong balance sheet and confidence in the strategy and business model, the Board considers the launch of an on-market share buyback programme of up to £25 million to be an appropriate use of surplus cash.

Organisational transformation

We have undertaken a comprehensive review of our organisational design to ensure it supports our strategy over the coming years and have implemented a number of changes, alongside new ways of working and a leadership development programme.

We have also initiated succession planning for Bill Allen, our Chief Supply Officer, who will be retiring in 2025. As part of the refreshed organisational design, Jon Wormald, our CFO, will be taking on an expanded role and taking responsibility for the supply and commercial functions.

Our people & culture

Our people are central to our success, and this year's employee engagement survey had an impressive response rate of 87% and showed a strong engagement score of 7.3 out of 10. While slightly lower than last year, the score reflects the ambitious organisational changes we've made to support high performance and align with our strategic goals. We remain encouraged by the positive engagement of our teams and are committed to reviewing the feedback and working closely with our people to drive further improvements. To strengthen our culture and ensure it aligns with our values, purpose, and strategy, we established three new Employee Voice forums - Wellbeing, Diversity & Inclusion, and Community & Charity - alongside our longstanding Pier Group forum.

These initiatives, led with valuable insights from Veronica Sharma, our designated Non-Executive Director for employee engagement, allow the Board to hear and act on the voices of our employees, providing critical insight into our culture and keeping us closely connected with the perspectives and needs of our teams.

Board changes

After nine years of dedicated service, David Kelly will be stepping down from the Board on 10 January 2025. On behalf of the Board of Directors, I would like to thank David for his exceptional contribution and commitment. The Nomination Committee has undertaken a thorough succession planning process and an extensive search for a replacement for David. As at the date of this report, that search is at an advanced stage and I look forward to updating you soon on the new appointment. Further details can be found in the Nomination Committee report on pages 85 to 86.

B2B simplification

During the year, we reviewed the performance of our B2B business and identified necessary changes to improve performance. As a result we now operate with a single brand (Classic Collection), platform, legal entity and ATOL licence. This simplification is designed to ensure that the B2B distribution channel can operate efficiently and profitably, while providing a compelling proposition to our travel agent partners and our mutual customers.

Environmental, Social & Governance ('ESG')

We have focused our ESG efforts on areas where we can have the greatest impact and where this supports our overall strategy. We are undertaking a number of Equality, Diversity & Inclusion initiatives that enable us to build our talent pipeline and which also contribute positively to society and communities, fostering equity and opportunities for all. Further details can be found on pages 32 to 39.

In line with the commitment we made last year, we have completed an analysis of our total greenhouse gas emissions, which revealed that our direct emissions are 0.02% of our total emissions. We have set an internal target to reduce our Scope 1 & 2 emissions by 42% by 2030, which is aligned with the Paris Agreement. More information can be found in the Sustainability report on page 45.

Regulatory landscape and ATOL reform

We remain frustrated by ongoing delays to ATOL reform, especially given the significant taxpayer costs from the collapses of Monarch and Thomas Cook, and the inconvenience to passengers during the pandemic, who were often forced to accept vouchers or credit notes. Fair, transparent, and consistent financial security requirements are essential for a level playing field and consumer confidence. We continue to call for prompt, meaningful action from Government and regulators to achieve these goals.

Governance

The Group is committed to the highest standards of corporate governance. The Corporate Governance report on page 70 sets out in more detail how we have complied with the UK Corporate Governance Code (the 'Code') during the year (and explains why we do not comply with Provision 11 of the Code between the nine-year anniversary of David's appointment to the Board and the date he steps down from the Board).

Our Annual General Meeting will be held on 25 February 2025 and all shareholders are welcome to attend.

Conclusion

This year, the leadership team, led by Shaun Morton, has delivered strong financial results and has made great strategic progress. I would like to extend my sincere thanks to all our colleagues for their dedication and hard work, which have been essential in achieving these outcomes.

Looking ahead, I am confident that the strategic initiatives we have implemented this year have laid the groundwork for continued success. The Company is well-positioned to capture growth opportunities and deliver long-term value for all of our stakeholders.

Richard Pennycook
Chairman of On the Beach Group plc

2 December 2024

CEO review

Our asset light model and scalable technology platform provide a structural challenge to legacy tour operators.

£1.2bn
TTV for the full year

15%
Increase in TTV on last year

13%
Summer 24 year-on-year volume growth

8%
Increase in airline capacity to beach leisure destinations for Summer 24 versus Summer 23

Overview

On the Beach ('OTB') is a high growth business in a growing market, underpinned by a scalable platform, a brand that resonates with customers and a proposition that delivers value for money.

We operate in a sector where consumers are not only seeking value, but also choice and flexibility, as well as peace of mind and financial protection. Our proprietary technology, coupled with a low-cost, asset light and cash generative operating model provides a structural challenge to tour operators.

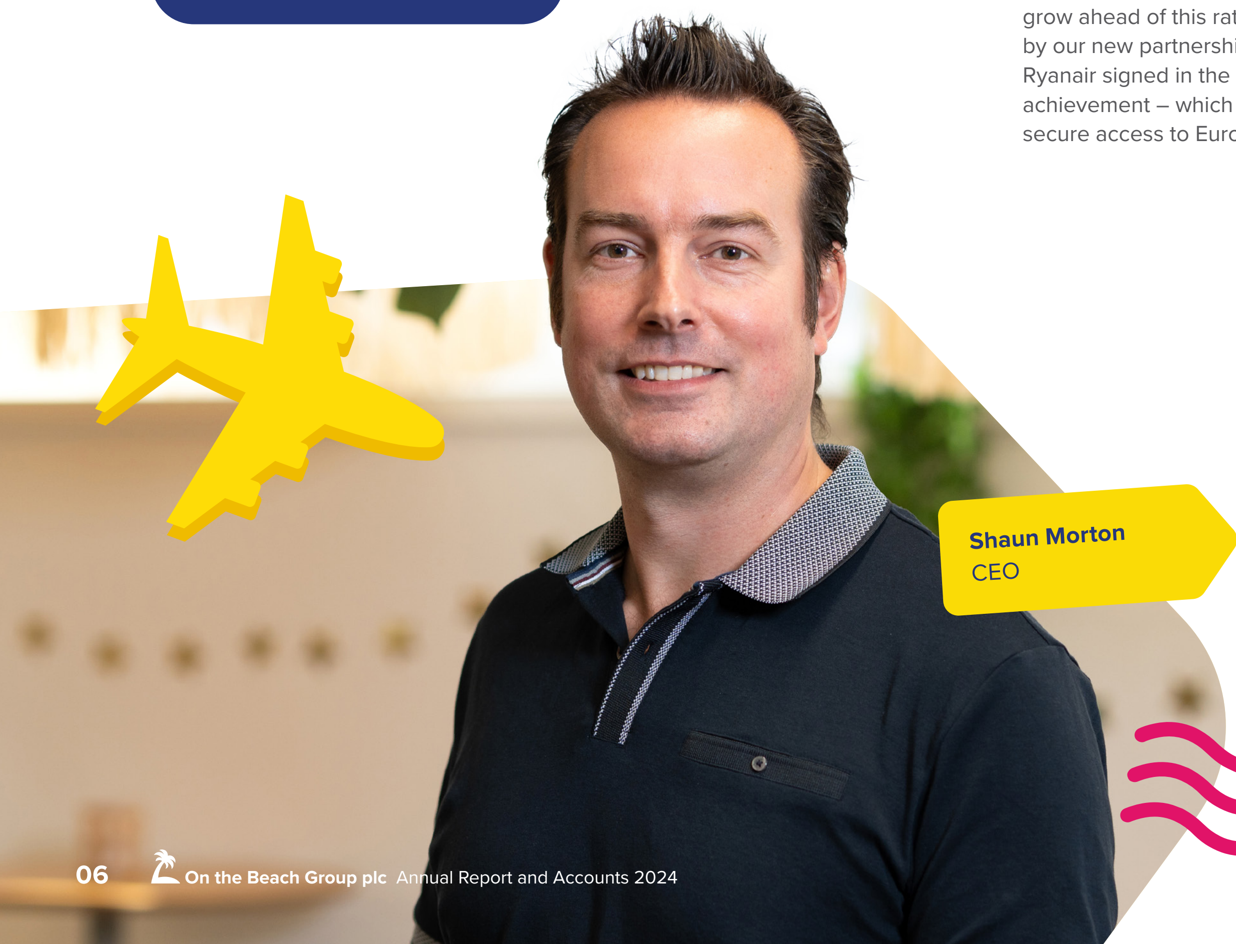
This has been another record year for the Group, continuing the strong momentum from the first half and achieving TTV for the full year of £1.2bn, representing an increase of 15% on last year.

It also represents a year where the Group has delivered transformational progress against our strategic priorities, which positions us well for accelerated growth.

We firmly believe that being asset light and having the ability to access seats from multiple airlines via our technology is a clear competitive advantage for OTB over traditional tour operators.

The Group is not limited to the schedule of a single airline and does not bear its high fixed costs. In 2024, there are estimated to be 48m seats across the UK market flying to OTB's existing beach destinations alone. Such healthy seat capacity provides significant headroom for further growth for OTB's current UK customer base of c.2m passengers per annum.

Beach seat availability across the market also continues to grow, underpinned by an additional 8% airline capacity to beach leisure destinations for Summer 24 versus Summer 23. OTB continues to grow ahead of this rate, supported in part by our new partnership agreement with Ryanair signed in the year – a milestone achievement – which ensures we have secure access to Europe's largest airline.



Shaun Morton
CEO

Despite incurring one off costs of c.£3m retaining Ryanair flights on sale prior to finalisation of the agreement and continuing to invest in expanding the business in FY24, OTB significantly grew profit before tax year on year, which is very encouraging.

The travel and wider consumer market has been impacted by increasing costs over the past few years, including wage inflation, insurance and regulatory costs. Notwithstanding these structural headwinds and an increasingly competitive landscape, we have restored profitability to the business, with FY24 reported Profit Before Tax ('PBT') of £26.5m, +84% year on year surpassing our previous peak, achieved pre-pandemic.

During the year, we identified necessary changes to the Group's B2B operations. As a result, we now operate with a single brand leveraging the Group's technology platform and operations. These changes have been successful in returning the channel to profitability in FY24 and have laid the foundations for sustainable profitable growth.

We continue to improve operational leverage across the Group, and FY24 represents the third consecutive year that the business has increased Revenue, EBITDA and EBITDA as a percentage of Revenue.

Critically the business has much stronger foundations and opportunities for growth than it had pre-pandemic, with a secure supply position and much larger addressable audience.

Following a strong second half and full year performance, the Group exits FY24 with the momentum of a record forward order book, with significant progress against our strategic objectives and exciting prospects for FY25 and beyond.

People

I'm incredibly proud of what we've achieved this year and it's thanks to the combined energy and efforts of our people – they remain the driving force behind our continued growth and success.

We continue to focus on maintaining a diverse, collaborative, high-performance culture, supporting our employees in all aspects of their lives and encouraging them to reach their full potential.

In addition to our engagement surveys, we've launched three Employee Voice forums focused on Equality, Diversity & Inclusion, Wellbeing, and Community & Charity, to provide us with real-time insights around what matters most to our employees and help us stay connected.

In our Annual Engagement survey, we achieved a strong Engagement Index score of 7.3 with an impressive 87% completion rate.

Considering the organisational changes we've made this year to support the successful delivery of our strategy, it's pleasing to see that our people remain engaged and proud to work for our business.

We're committed to listening and acting on the feedback to continue making OTB a great place to work.

I'm excited about what we can deliver together in the year ahead and we've worked hard to ensure everyone is clear about the journey we're on and the part they play in our strategy for growth.

To maintain momentum, we're further strengthening our Leadership teams with long-term development programmes designed to support the continuous growth and alignment of our leaders, ensuring they're equipped to support our people and role model our behaviours and values as we continue to grow.

Strategic progress

As I mentioned, we have continued to make significant progress with our strategic development this year. Ongoing investment into technology, brand, proposition and supply powers growth in our core market and enables penetration into our addressable expansion areas.

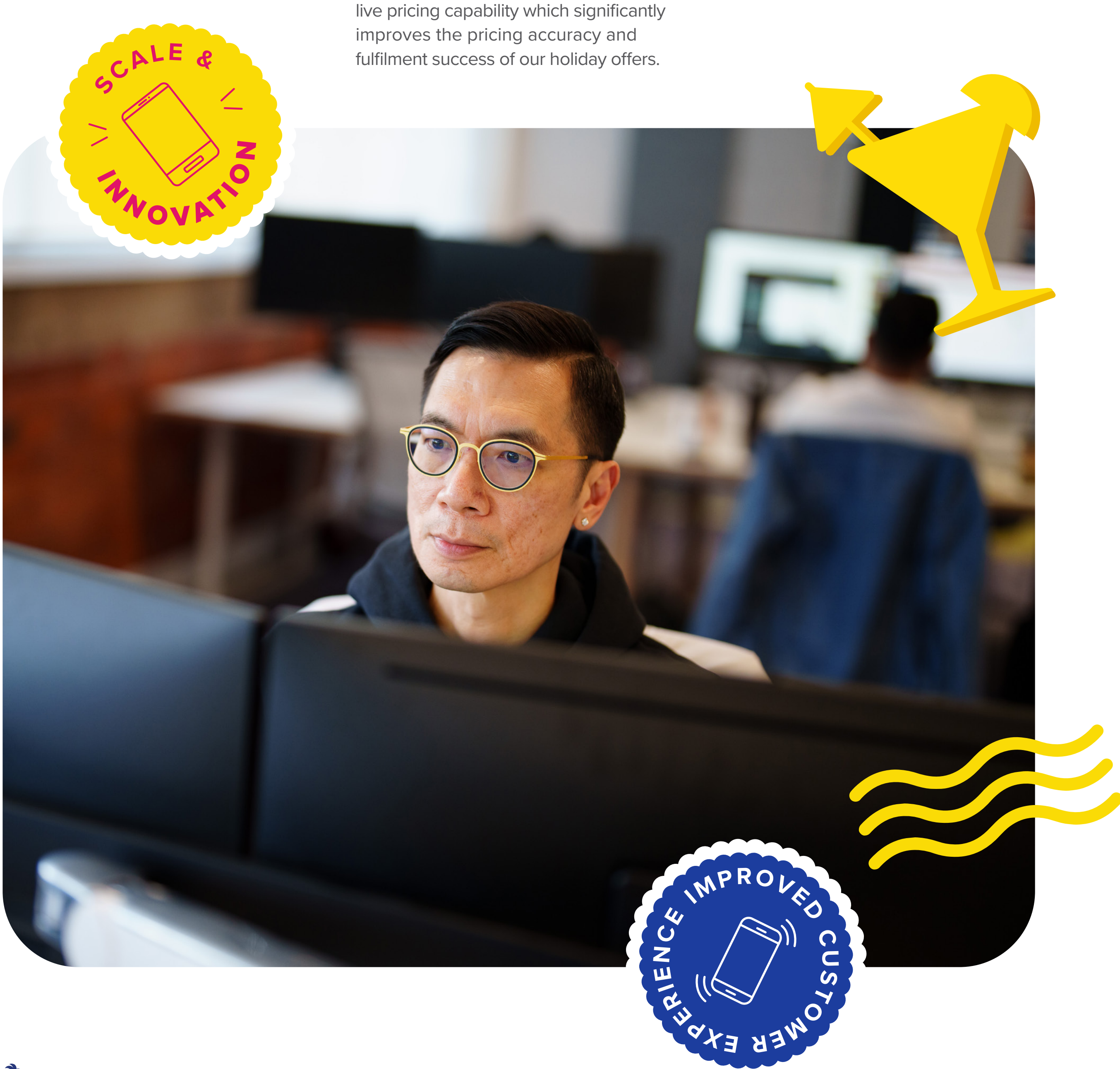
Investment in technology

We continue to develop the platform with the key objectives being to improve our customers' booking experience, enhance operational efficiency and significantly scale.

We are experiencing transformational change within our Technology and Product teams. Since signing the Ryanair agreement, many of our software engineers can focus on adding value rather than be distracted by operational issues, driving greater efficiency.

This year we have delivered significant upgrades to our platform, meaning we are limited only by the size of our ambition, rather than the scalability of our technology. FY24 highlights include smart caching technology, enabling billions of additional holiday combinations delivered at speed and live pricing capability which significantly improves the pricing accuracy and fulfilment success of our holiday offers.

During the year we re-platformed our native Android and iOS apps, unlocking native functionality, and also introduced AI powered content, reducing hotel onboarding time by 99%. The full potential of all of these upgrades enable us to expand our addressable market significantly and at pace.



Investment in our brand and proposition

In line with previous years and with strategy, we invested significantly in OTB's brand and proposition in FY24 to continue to gain share in all segments. Our brand spend continues to punch above its weight, underpinning the stretch into adjacent markets within our core, including 5* and long haul in recent years, and we are excited about plans for new expansion markets in FY25.

We are making considerable progress developing our customer proposition. Being known as the 'Home of Perks' and continually investing in the customer perks offer, including lounge, fast-track and more recently mobile data, significantly benefits OTB. It offers a key point of differentiation, makes our offline marketing campaigns more effective, strengthens the brand, attracts new customers, and improves our customers' overall holiday experience, increasing the likelihood of repeat purchase. In FY24, our perks spend now reaches more customers, is increasingly efficient, is used to promote the app and is embedded in our proposition.

Finally, from a customer perspective we are investing in further automation which – alongside a significantly reduced number of customer inbounds – continues to improve our customer experience. I'd like to thank the service teams for their tireless efforts in supporting our customers.

Investment in supply

Alongside investments in brand, proposition, and technology, the Group has invested in supply to support growth.

The Group offers seats from a diversified group of low-cost carriers that fly to short haul East and West Mediterranean locations and has developed relationships with destination specific carriers that serve Turkey, which experienced a significant increase in demand in recent years. As referenced, signing the Ryanair agreement provides OTB secure access to all relevant low-cost flight supply from Europe's largest airline.

We believe that by having our own relationships with hotel partners, we can guarantee our customers the best prices and an enhanced hotel experience, which combined with our platform development this year, unlocks European cities, which represents a significant incremental addressable market in FY25.

We also maintain relationships with our key bedbank partners, which allows access to competitive prices in core and expansion markets.

TAKE OFF BUCKLE UP

RYANAIR PARTNERSHIP TAKES OFF

Case study

We signed our transformational Ryanair partnership agreement in February 2024.

The agreement provides OTB with free and fair access to Ryanair seats. This facilitates a much smoother customer journey when booking Ryanair flights as part of an OTB package, significantly improving their experience whilst enhancing OTB's operational efficiency.

Following implementation of the agreement, we have:

1. Simplified our technology
2. Reduced inbounds into contact centre and operational costs
3. Improved working capital efficiency
4. A simplified future refunds process

We have also been working collaboratively with Ryanair to resolve all historic refunds.

In addition to the operational benefits, this milestone agreement unlocks additional areas of strategic value and incremental growth for OTB, not least our recent expansion into the Republic of Ireland and our expanded proposition into new city destinations (more on this later).

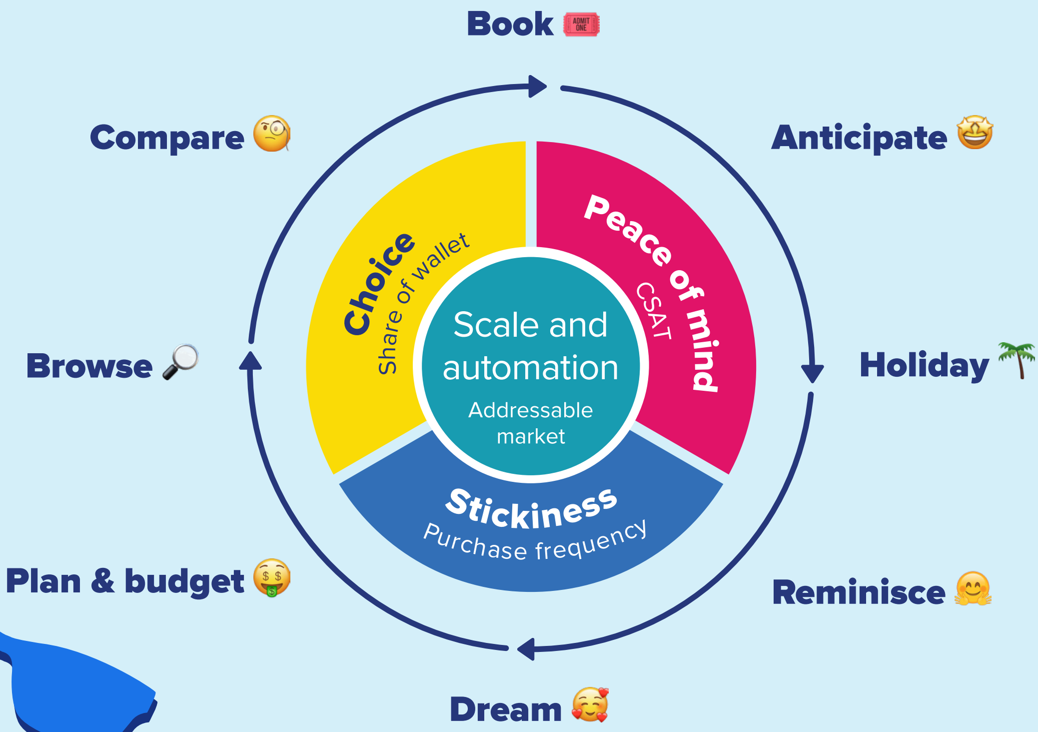
Finally, the agreement enables the parties to move on from litigation and focus efforts on building the partnership. This resolves a longstanding risk for the Group and ensures that our customers can book package holidays with a Ryanair flight with complete confidence.

The partnership is an important development for the holiday industry. It ensures that customers will continue to benefit from the enhanced consumer protection that buying a package holiday provides combined with the low-cost fares that Ryanair offers. We hope this industry leading collaboration can be used as a blueprint for how the industry and airlines can better work together moving forwards.

> “This partnership means that our customers will have a seamless experience when booking a package holiday with a Ryanair flight.”
>
> **Shaun Morton**
> Chief Executive Officer

Our business model and strategy for growth

In last year's Annual Report, we stated that we would be developing our strategic pillars to accelerate growth across our core and expansion areas. As we continue to scale, we have four design principles to guide our mission; 'we help people holiday better and more often'.



Our design principles

1 Stickiness

Consumers are shopping around as much as ever so we are **designing for stickiness, to make it easier to plan, book and finance your holiday year, to increase value for money and frequency of purchase.**

2 Choice

We are currently a small part of our customers' annual holiday repertoire, so we are **designing for choice, to increase the breadth of offering, and the holiday wallet that we compete for.**

3 Peace of mind

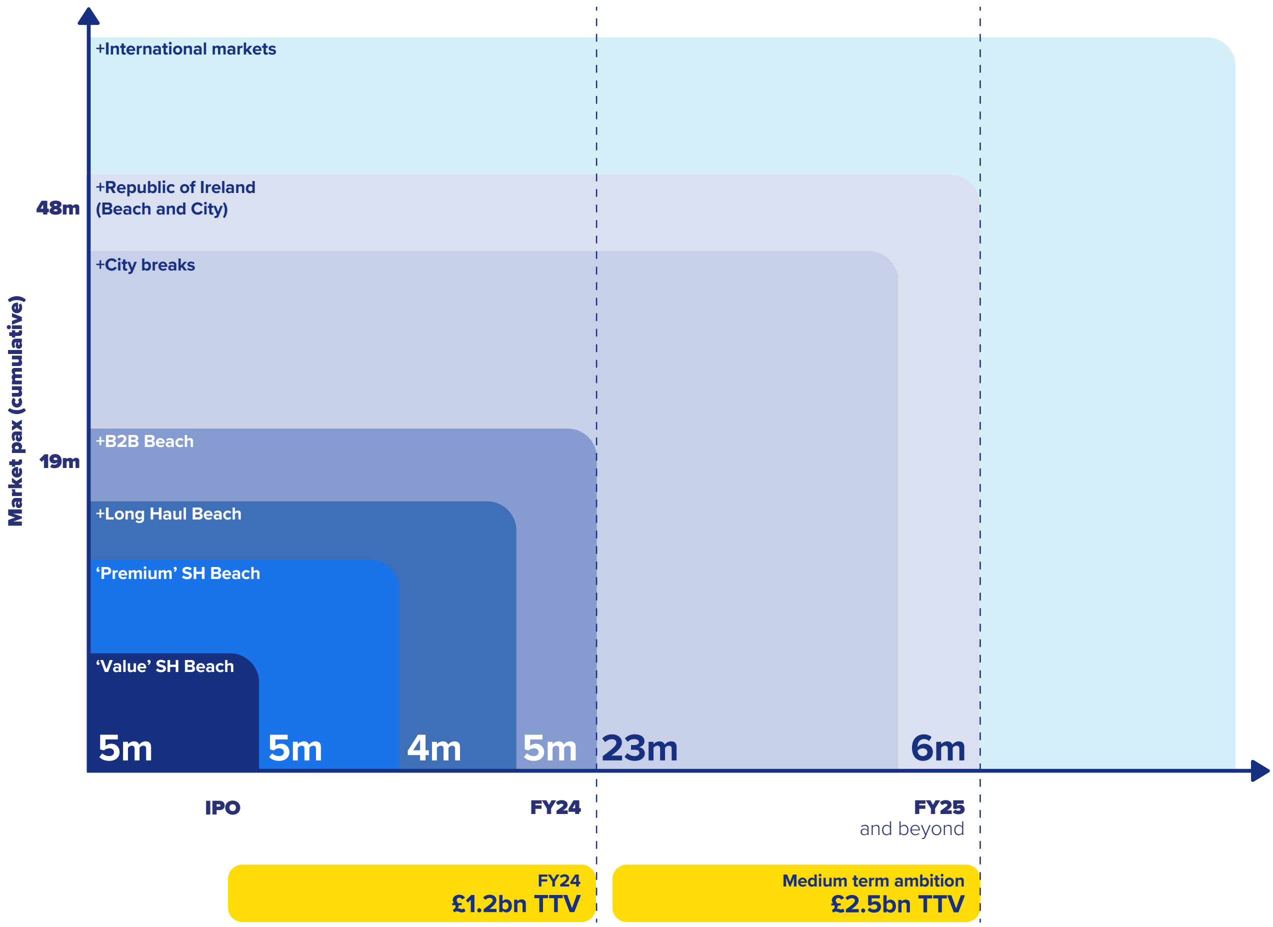
Consumers want both the peace of mind of a tour operator, and the choice, value and flexibility of an online travel agent so we are **designing for peace of mind, for hiccup-free holidays to increase NPS and reduce churn.**

4 Scale and automation

Compared to the UK, there are c.5x as many Europeans flying to beach destinations so we are **designing for scale, automation and to continue to increase our addressable market.**

Our business model and strategy for growth

Technology and supply improvements more than double our addressable market.



Since inception in 2004 and IPO in 2015, the Group has specialised in selling beach package holidays online to UK customers, typically travelling to short haul destinations in 'Value' (usually 3 and 4*) hotels. By investing in technology, brand, proposition and supply, we have successfully extended our core offering in recent years to include Long Haul and 'Premium' (usually 5*) holidays, all of which are also available to book 'B2B' via third party travel agents.

FY24 brought another step change in the strategic development of the Group, through the expansion of the proposition to City packages and into a new geography; selling package holidays to the Republic of Ireland, collectively more than doubling our addressable market.

Importantly, our asset light business model and scalable platform enable us to sell both short and long haul holidays, to 3, 4 and 5* hotels, across B2C and B2B channels in each of our new expansion markets.

As we add more product, attract new customers in new markets and increase existing customers' purchase frequency, we expect customer annual value to increase. This will fuel the next stage of our revenue growth whilst also increasing the efficiency of our marketing spend.

We will not stop there; our ambition is to roll out our asset light model and technology into new international markets with healthy seat supply, and ultimately become one of Europe's largest online package holiday specialists.

Core market overview

3 and 4*
(short haul beach holidays)

Market analysis

In FY24, Group TTV of holidays to 3* and 4* properties increased by 13% and represented 64% of the total (FY23: 65%).

Given strategic progress in recent years penetrating adjacent higher value markets, exposure to the 3* end of the market is significantly lower today than it has been in previous years.

In FY24, 3* hotels now contribute 19% of B2C TTV (FY23: 21%), providing a layer of insulation from any macro-economic headwinds.

OTB continues to grow TTV across 3* and 4* product as a whole within its core addressable market, by continuing to offer choice, flexibility, value, peace of mind and financial protection.

13%
YOY growth
(FY24 TTV)

64%
mix
(FY24 TTV)

5*
(short haul beach holidays)

Market analysis

TTV mix of 5* holidays has increased from 32% in FY23 to 34% in FY24. In FY24, Group 5* TTV was +21% versus FY23.

The 5* market has shown greater resilience to cost of living pressures, recovering earlier, and the revenue margin opportunity on each individual booking is significantly greater. Attracting these customers that typically book earlier also gives the Group greater visibility of the season ahead.

In addition to the factors supporting growth across 3* and 4* markets, the strategic actions OTB continues to take to enhance its proposition, brand and supply, position it well to continue to outperform in the 5* market.

21%
YOY growth
(FY24 TTV)

34%
mix
(FY24 TTV)

Long haul
(beach holidays)

Market analysis

The Group continues to scale its long haul offering and there remains a significant organic growth opportunity in long haul. Booked Long Haul TTV was 31% up vs a strong comparator in FY24 and long haul mix of Group TTV is now up to 8%. Group Long Haul TTV has multiplied by c.7x since FY19 to £91m.

OTB is now a brand firmly associated with long haul as well as short haul beach holidays and the market opportunity for further growth is significant from existing and new destinations.

OTB still under-indexes in long haul package holidays versus the wider UK market and the competitive landscape is more fragmented and offline than for short haul trips.

31%
YOY growth
(FY24 TTV)

8%
mix
(FY24 TTV)

B2B

Market analysis

The B2B channel operates in an increasingly competitive market however there remains a significant opportunity to become the go-to B2B provider of Ryanair packages, whilst having the ability to offer tailor-made packages for the trade.

Changes made in the year have resulted in a single brand trading as Classic Collection and operating using the Group's scalable technology platform.

These changes have been successful in returning the channel to profitability in FY24, simplifying Group reporting and laying the foundations for sustainable profitable growth in FY25 and beyond.

£40.6m
(FY24 TTV)

£3k
(FY24 B2B ABV)

Additional expansion markets using the Group's existing technology

Cities

Alongside accessing a new source market, our platform development this year is enabling expansion of the proposition to new city routes. We are attracting new customers to the site and taking greater share of our existing customer wallet, driving greater marketing efficiency.

OTB research indicates that 52% of those who have previously booked through OTB are likely to consider us for city packages.

We have experienced strong growth to date from our initial Cities proposition. Developments to the platform in FY24 give us the ability to scale more quickly and add more short haul and long haul product. We are using AI to scale our Cities expansion generating hotel copy, USPs and mapping facilities.

New holidays

Ireland

FY24 marked another exciting milestone for OTB as we launched the sale of package holidays for customers in the Republic of Ireland via onthebeach.ie.

There is significant demand for beach package holidays from the Republic of Ireland, and significant seat capacity available to our core destinations.

We are using the same technology and brand as the UK market, with entry into the Republic of Ireland. Tour operator competition is relatively limited.

We estimate the Irish market represents approximately 15% of the size of the UK market. The website has been live since July 2024, and has made a promising start with an increasing run rate of bookings, which gives us confidence that we can capture meaningful incremental volume from this market in FY25.

New geography

Future

The acceleration in the Group's strategic progress in FY24 has enabled expansion into the Republic of Ireland and a broadening of our offer to City packages. Securing free and fair access to Europe's largest airline increases the potential for the Group to add additional source markets beyond the UK and the Republic of Ireland in the future. The Group continues to assess strategic and commercial opportunities to expand into new markets either organically or by acquisition.

New market(s)

We are excited about our strategy, what we can achieve across the Group and look forward to updating on progress and delivery later in FY25.

Shaun Morton
Chief Executive Officer

2 December 2024

Chief Marketing Officer report

The last year has been another exciting year for us all in the customer team at On the Beach!

We're proud that more people than ever have trusted us with the most important week or two of their year, their beach holiday.

over 1.7m
people holidayed with us

431,000
5* holidays Pax

23,600
Long haul holidays

Our unique proposition of trusted customer service, plus perks, plus choice, value and flexibility continues to resonate with an ever expanding group of consumers, demonstrated by our ever broadening customer mix and growth in the number of people that use us for their 5* and long haul holidays.

Consumer and customer research shows we have opportunity for more brand stretch, with appetite for us taking our proposition into new verticals, and we are looking forward to fulfilling more customer needs as we diversify into new city break destinations in the year ahead.

Our teams are passionate about giving our customers jollier jollies. We have made considerable improvements in our customer experience, further increasing the ease with which people can book and holiday with us, as well as developing self-serve capability for our customers, making it quicker than ever for us to answer customer queries.

Additionally, we're thrilled that more customers than ever have enjoyed a perk on their holiday this year, with 148,000 free places in airport lounges and 263,000 free airport security fast-track passes meaning thousands of our 4 and 5* customers have been able to start their holidays in style this Summer.

And our latest perk of free mobile data has removed the risk of returning home to a whopping phone bill for over 67,000 of our holidaymakers.

We've also launched some seasonal special perks to meet particular customer needs. The former F1 driver Johnny Herbert helped us produce safety guides for customers enjoying free mobility scooters in Benidorm, and our back to school laundry perk made sure our customers didn't arrive home to suitcases of laundry the week before being back to school. We were particularly pleased to have raised awareness of the issue of 'invisible swimwear', giving away thousands of colour safe kids' swimsuits to our customers for extra safety in and around swimming pools, and calling on the Government for legislation to ban retailers from producing swimwear in dangerous colours.

Our asset light business model, with no commitments on either seats or hotel rooms, means we really can be customer first in the holidays that we sell and recommend to people. Increased use of data and personalisation is reaping rewards in terms of customer stickiness and bookings, as we showcase users the holidays that best meet their needs and offer value for money, rather than needing to promote distressed stock.

Our brand spend continues to punch above its weight, delivering strong campaign performance on key metrics including spontaneous awareness, top three consideration and perceptions of value for money. This year, we have had the highest level of brand traffic and bookings since 2019. Ad awareness and campaign equity has built over the last three years following consistent usage of our campaign assets.

The addition of Paddy McGuinness as brand ambassador has increased the cut through of our advertising, bridging particularly well between TV that builds fast awareness in peak, to radio used to maintain saliency year-round.

Zoe Harris
Chief Marketing Officer

Lastly, we continue to take a newsroom approach to our campaign development, newsjacking cultural moments whenever we can. Our favourite example of this was our launch of a competition to find a streetcleaner from Beckenham, aged between 62 and 64, with the surname Spiers. By coincidence, the only entrant – and winner – happened to be someone who had recently lost out on a holiday gifted to him from a Go Fund Me campaign from local residents due to contractual constraints with his employer. The story ran far and wide, including over 40 pieces of national coverage, was the most read story on sites such as LADbible, was featured in hourly news bulletins on ITV, Channel 5 and BBC, and there was even an article in the Washington Post!

I am incredibly proud of how seriously our customer service and marketing teams take their responsibility in delivering our customers the most wonderful time of their year, and love that we go out of our way to make their holiday as joyful as possible. It is a privilege to be part of a team that wakes up every day motivated and passionate about giving our customers even jollier jollies.

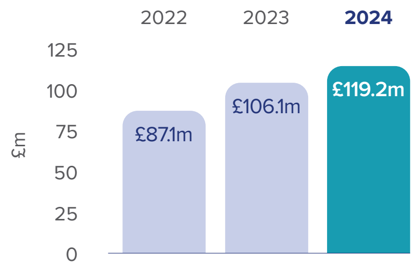
Zoe Harris
Chief Marketing Officer

2 December 2024

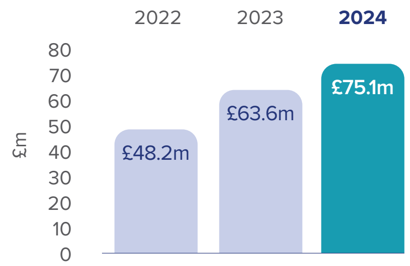
Key performance indicators

Financial

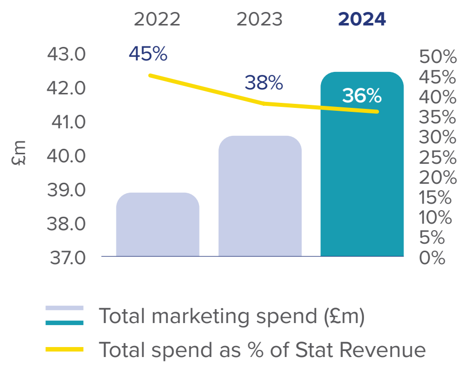
OTB statutory revenue (£m)



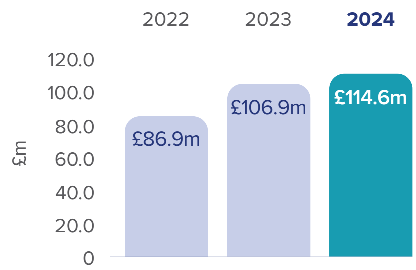
OTB statutory gross profit after marketing costs (£m)



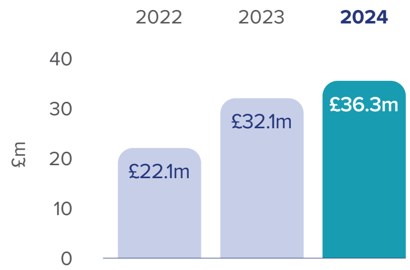
OTB marketing spend % statutory revenue



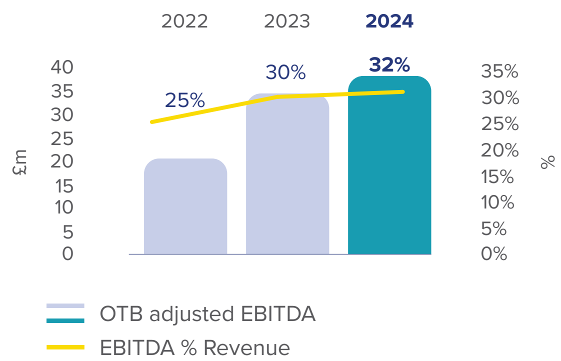
OTB adjusted revenue (£m)[1]



OTB adjusted EBITDA (£m)[1]



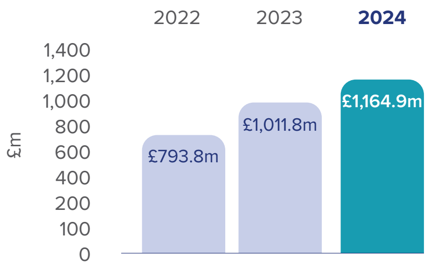
OTB adjusted EBITDA as a % of adjusted revenue[1]



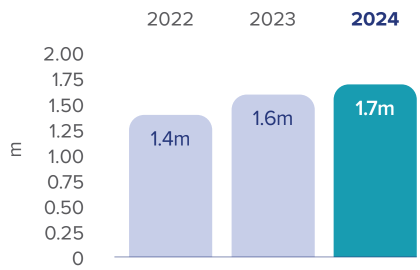
FACTOR 50

1. A full explanation of all adjusted performance measures is included in the glossary.

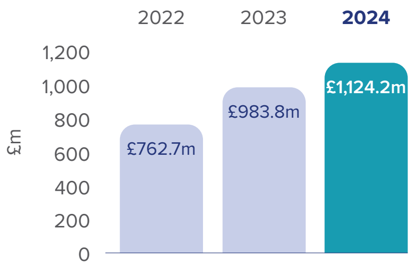
Group TTV (£m)[1, 3]



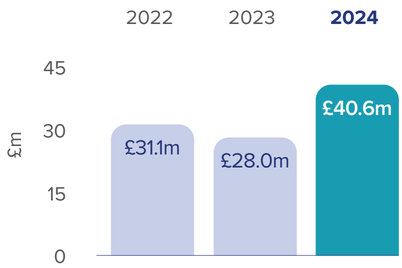
Group passenger numbers (booked) (m)[2, 3]



OTB TTV (£m)[1]



B2B TTV (£m)[1, 3]

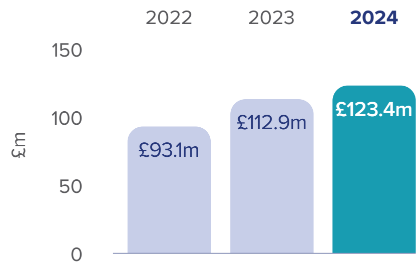


1. Total Transaction Value ('TTV') is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and adjustments.
2. Group passenger number is defined as the number of passengers booked in the year.
3. The prior year comparatives have been adjusted to exclude the performance of discontinued operations.

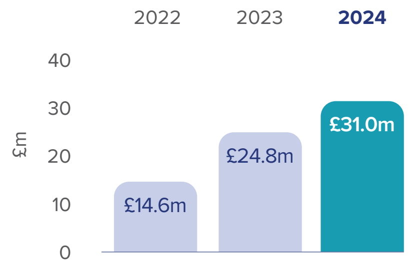
Key performance indicators continued

Financial continued

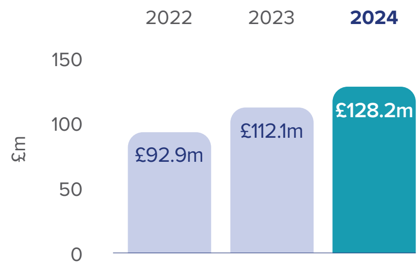
Group adjusted revenue (£m)[1, 2]



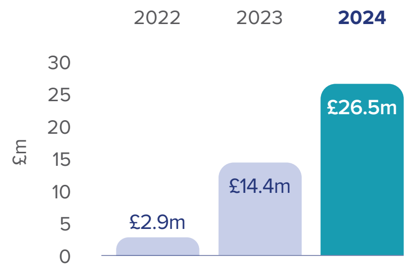
Group adjusted profit before tax (£m)[1, 2]



Group revenue (£m)[1]



Group profit before tax (£m)[1]

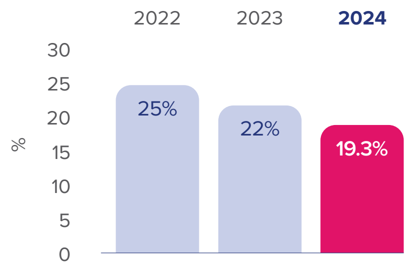


1. The prior year comparatives have been adjusted to exclude the performance of discontinued operations.
2. A full explanation of all adjusted performance measures is included in the glossary.

Non-financial

Each of our non-financial KPIs map to all 4 of our design principles (see CEO report) which underpin our strategy for growth, i.e. choice, stickiness, peace of mind and scale & automation.

Voluntary employee turnover



Link to design principle

1 2 3 4

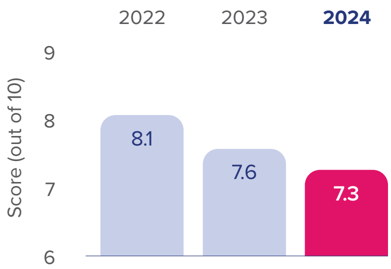
Description

Voluntary turnover tracks the number of employees who have left of their own volition and provides a measure of our ability to retain employees.

Performance

We are continuing to see a reduction in voluntary turnover, which has decreased for the third year running to 19.3%.

Employee engagement



Link to design principle

1 2 3 4

Description

Overall employee engagement score from the employee engagement survey (administered by Hive; a third party).

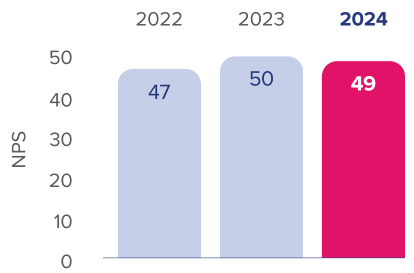
Performance

We achieved an annual engagement score of 7.3 out 10; a strong result following significant organisational change throughout the year.

1 Choice
2 Stickiness
3 Peace of mind
4 Scale & automation

Non-financial continued

Net Promoter Score



Link to Design Principle

1 2 3 4

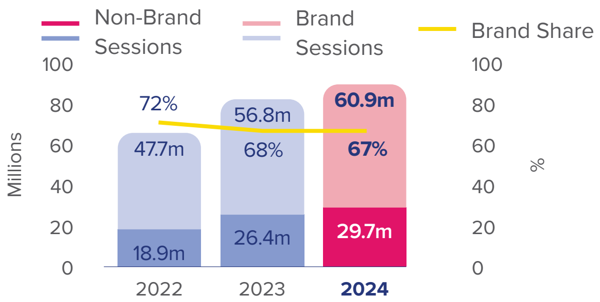
Description

Index that measures willingness of customers to recommend the Company's services to others. It gauges a customer's overall satisfaction and provides us with insight into our customers' views.

Performance

Customer sentiment remains high, with 86% scoring us 7 or more on whether they would recommend us to friends or family. The FY24 Score was impacted by operational disruption prior to Ryanair integration.

Brand traffic share



Link to design principle

1 2 3 4

Description

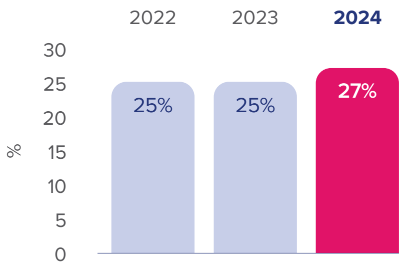
Data shows the percentage share of sessions that have come from brand and non-brand channels.

Performance

Another record year of sessions (90.6 million) to onthebeach.co.uk with absolute growth in both brand and non-brand sessions.

1 Choice
2 Stickiness
3 Peace of mind
4 Scale & automation

Spontaneous brand awareness



Link to design principle

1 2 3 4

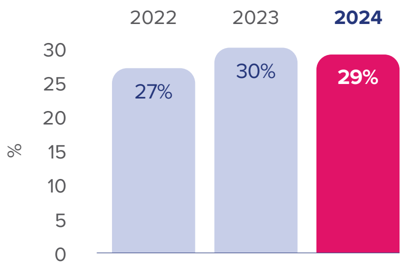
Description

Chart shows the % of people who name On the Beach, without a list or prompt, when asked to think of a beach holiday company.

Performance

Spontaneous awareness reached an all time high in FY24 as media optimisation and consistency continued to pay off.

Brand consideration – Top 3 choice



Link to Design Principle

1 2 3 4

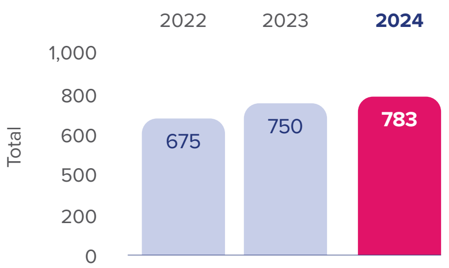
Description

Chart shows the % of people who consider On the Beach as one of their top three choices when booking a package holiday. This is directly linked to purchase intent.

Performance

Our consistent creative approach and optimised media channel mix has driven increased marketing efficiency, resulting in a strong top 3 brand consideration ranking, enabling us to reduce year on year above the line media spend.

Key brand metrics – multiplied



Link to Design Principle

1 2 3 4

Description

This metric combines our top two brand indicators by multiplying Spontaneous Awareness with Brand Consideration (Top 3 choice), providing a single measure of brand strength.

Performance

This year saw our highest ever performance across spontaneous brand awareness and Top 3 consideration combined, despite no increase in investment, driven by improved effectiveness from imaginative repetition of our campaign assets used to communicate our unique perks proposition.

1 Choice
2 Stickiness
3 Peace of mind
4 Scale & automation

Chief Financial Officer report

Summer 24 performance was particularly strong with passenger numbers for those holidays departing between May and October up 13% on the prior year.

The Group's financial performance for the year ended 30 September 2024 ('FY24') is reported in accordance with UK adopted international accounting standards and applicable law.

Following the discontinuation of activities in relation to the CCH (Classic Collection Holidays) segment during the year, the Group is now streamlined into two principal financial reporting segments, being OTB (onthebeach.co.uk and sunshine.co.uk) and Classic Collection. Prior periods have been restated accordingly.

The Group acts as agent across both segments as it is not the primary party responsible for providing the components that make up the customers' booking. As a result, revenue is accounted for on a booked rather than travelled basis.

Group overview

	2024 Adjusted[1] £m	2024 GAAP £m	2023 Adjusted[1] £m	2023 GAAP[5] £m
Group TTV[2]	**1,164.9**		1,011.8	–
Group revenue	**123.4**	**128.2**	112.9	112.1
Group gross profit	**116.9**	**121.7**	107.2	106.4
Group profit before tax[3]	**31.0**	**26.5**	24.8	14.4
Basic earnings per share[4]	**14.1p**	**12.1p**	12.0p	7.2p
Group cash		**96.2**		75.8
Dividends per share		**3.0p**		–

Jon Wormald
Chief Financial Officer

1. Adjusted measures are non-GAAP measures, a full explanation of the adjustments is included in the glossary. The prior period is restated for the effects of the discontinued operations.
2. Group TTV is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and amendments.
3. Group adjusted profit before tax excludes amortisation of acquired intangibles of £2.8m (2023: £5.2m), share-based payments cost of £2.3m (2023 restated: £1.1m) fair value losses on forward currency contracts of £nil (2023: £0.8m) and exceptional income of £0.6m (2023 restated: exceptional costs of £3.3m). A full explanation of the adjustments is included in the glossary.
4. Adjusted earnings per share is Group adjusted profit after tax for continuing operations divided by the average number of shares in issue during the period. Earnings per share is Group profit after tax for continuing operations divided by the average number of shares in issue during the period.
5. The prior period is restated for the effects of discontinued operations.

Overview of the year

Revenue of £128.2m was £16.1m (14.4%) higher than FY23.

The Group delivered record TTV for the third consecutive year despite significant price deflation in the second half of the year as a result of additional capacity in seat supply from the low cost carriers.

Summer '24 performance was particularly strong with passenger numbers for those holidays departing between May and October up 13% on the prior year.

Revenue includes £4.8m of exceptional income following the settlement of Ryanair refunds litigation, however is also stated after incurring £3m of one off costs ensuring the continuation of Ryanair supply prior to finalising the integration.

The Group continues to focus on improving the operational efficiency of its cost base, with both marketing costs and admin expenses reducing as a % of revenue vs the prior year. Group headcount was down by 14% at the year-end reflecting the B2B changes and the reduced headcount in our contact centre operations following the Ryanair partnership.

Group profit before tax was £26.5m, an increase of 84% (FY23: £14.4m).

Cash has increased to £96.2m (FY23: £75.8m), enabling the Board to determine that sufficient surplus cash exists, alongside investment for continued organic growth, to be able to recommend a final dividend of 2.1p alongside a share buyback programme of up to £25m.

Overheads

	2024 Adjusted[1] £m	2024 GAAP £m	2023 Adjusted[1] £m	2023 GAAP[1] £m
Overheads % TTV	**3.1%**	**–**	3.3%	–
Overheads % revenue	**29%**	**28%**	30%	30%
Total marketing % revenue	**35%**	**33%**	37%	37%

1. Adjusted measures are non-GAAP measures, a full explanation of the adjustments is included in the glossary. The prior period is restated for the effects of discontinued operations.

Overheads as a % of revenue have reduced to 29% (FY23 restated: 30%) with inflationary pressures in respect of wages and salaries offset by a reduction in overall headcount following the B2B restructure and operational efficiencies arising from the Ryanair partnership agreement.

Adjusted EBITDA has increased to £38.0m (FY23 restated: £32.2m). A full explanation of adjusted measures is included in the glossary.

Exceptional items

Group exceptional items on a net basis are £0.6m in the year with £4.8m of exceptional income following the settlement of refunds litigation with Ryanair offset by £4.2m of exceptional costs incurred in the year. Costs related to legal and professional fees in respect of litigation (£3.9m) and restructuring costs (£0.3m).

Exceptional items in the prior year (restated) amounted to £3.3m, being legal and professional fees (£2.0m) and restructuring costs (£1.3m).

Cash and liquidity

The Group remains in a strong financial position with combined cash balances of £235.7m (2023: £184.4m):

- Group cash, excluding amounts held in trust, of £96.2m (30 September 2023: £75.8m).
- Customer prepayments held in a ringfenced trust account of £139.5m (30 September 2023: £108.6m).

Net finance income in the year has increased to £5.3m (2023 restated: £2.4m) due to the impact of higher base rates.

We remain frustrated by ongoing delays to ATOL reforms. We understand that following the change in Government during the year there is now no definitive timetable in place. We will continue to take proactive steps to ensure we are able to compete fairly in the market whilst continuing to provide protection to our customers.

OTB performance

	2024 Adjusted[1] £m	2024 GAAP £m	2023 Adjusted[1] £m	2023 GAAP[1] £m
TTV	**1,124.2**	**–**	983.8	–
Revenue	**114.6**	**119.2**	106.9	106.1
ECL	**(1.7)**	**(1.7)**	(1.9)	(1.9)
Gross profit	**112.9**	**117.5**	105.0	104.2
Online marketing costs	**(30.2)**	**(30.2)**	(26.0)	(26.0)
Offline marketing costs	**(12.2)**	**(12.2)**	(14.6)	(14.6)
Gross profit after marketing costs	**70.5**	**75.1**	64.4	63.6
Overheads	**(34.2)**	**(34.2)**	(32.3)	(32.3)
Depreciation and amortisation	**(12.2)**	**(12.2)**	(9.9)	(9.9)
Exceptional operating income/(costs)	**–**	**(4.2)**	–	(3.3)
Share-based payments	**–**	**(2.2)**	–	(1.1)
Amortisation of acquired intangibles	**–**	**(2.2)**	–	(4.2)
Operating profit	**24.1**	**20.1**	22.2	12.8
EBITDA	**36.3**	**34.5**	32.1	26.9

1. Adjusted measures are non-GAAP measures, a full explanation of the adjustments is included in the glossary. The prior period is restated for the effects of discontinued operations.

Revenue has increased to £119.2m (FY23: £106.1m). This is as a result of strong bookings across both Winter and Summer seasons, with ABV increasing by 2% despite a significant deflationary environment in H2 as a result of excess capacity across low-cost carriers.

Revenue includes the impact of additional one-off costs of £3m incurred ensuring continuation of Ryanair supply prior to finalising the integration.

Marketing and overhead costs are up 5% year on year despite a 14% increase in TTV due to the focus on improved operating leverage as we continue to improve EBITDA margin % back towards pre-pandemic levels.

Classic Collection performance

	2024 Adjusted[1] £m	2024 GAAP £m	2023 Adjusted[1] £m	2023 GAAP[1] £m
TTV	**40.6**	**–**	28.0	–
Revenue	**8.8**	**9.0**	6.0	6.0
Cost of sales	**(4.8)**	**(4.8)**	(3.7)	(3.7)
ECL	**–**	**–**	(0.1)	(0.1)
Gross profit	**4.0**	**4.2**	2.2	2.2
Gross profit after marketing costs	**3.8**	**4.0**	1.5	1.5
Overheads	**(2.1)**	**(2.1)**	(1.4)	(1.4)
Depreciation and amortisation	**(0.1)**	**(0.1)**	–	–
Share-based payment charge	**–**	**(0.1)**	–	–
Amortisation of acquired intangibles	**–**	**(0.6)**	–	(0.9)
Operating profit/(loss)	**1.6**	**1.1**	0.1	(0.8)
EBITDA	**1.7**	**1.8**	0.1	0.1

1. Adjusted measures are non-GAAP measures, a full explanation of the adjustments is included in the glossary. The prior period is restated for the effects of discontinued operations.

Classic Collection provides an online B2B platform that enables high street travel agents to sell dynamically packaged holidays to their customers. Following the discontinuation of CCH in the year, the prior year results have been restated and include only the results of the legacy Classic Package Holidays segment.

Revenue for the year was £8.8m (FY23 restated: £6.0m), as a result of both increased booking volumes and an increased ABV.

EBITDA was £1.7m (FY23 restated: £0.1m) following a significant reduction of costs on the discontinuation of CCH in the year.

Financing

In December 2022, the Group refinanced its credit facilities with Lloyds Bank and NatWest and entered into a new facility for £60m expiring in December 2025. The facility agreement included the option for two one-year extensions, both of which have now been exercised. The revised expiry date is therefore December 2027.

In January 2024, an option was exercised to extend the facility by £25m in order to provide additional working capital headroom for continued growth. This extension is effective until July 2025. Details of the current facility limits and maturity dates are as follows:

Existing facilities	£	Issued	Expiry	Drawn at 30 September 2024
RCF – Lloyds Bank	£42.5m	Dec 2022	Dec 2027	**Nil**
RCF – NatWest	£42.5m	Dec 2022	Dec 2027	**Nil**
Total facilities	**£85m**			

Share-based payments

The Group has a number of Long-Term Incentive Plan ('LTIP') schemes in place which vest subject to continued employment and performance criteria. In accordance with IFRS 2, the Group has recognised a non-cash charge of £2.3m (FY23 restated: £1.1m).

The share-based payment charge represents a non-cash charge for the expected cost of shares vesting under the Group's LTIP. The change in the year is a result of a reduction in the number of awards in the year as well as the change in expectations for non-market based performance conditions. Given the volatility and size of these charges they are added back to provide comparability to prior periods.

Taxation

The Group tax charge of £6.3m represents an effective rate of 24% (FY23: 22%). An increase in the UK corporation rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021.

Cash flow

	FY24 £m	FY23 £m
Profit before tax from continuing operations	**26.5**	14.4
Loss before tax from discontinued operations	**(7.2)**	(2.0)
Depreciation and amortisation	**15.1**	15.3
Net finance income	**(5.3)**	(2.6)
Share-based payments	**2.3**	1.2
Net loss on disposal of property plant and equipment	**0.6**	–
Net loss on disposal of intangible assets	**0.2**	–
Loss on discontinued operations	**4.6**	–
Movement in working capital	**(4.3)**	(4.1)
Corporation tax	**(3.9)**	(0.2)
Cash generated from operating activities	**28.6**	22.0
Other cash flows		
Capitalised development expenditure	**(10.2)**	(12.0)
Capitalised intangible assets	**(0.1)**	–
Capital expenditure net of proceeds	**–**	–
Net finance income	**5.4**	2.8
Payment of lease liabilities	**(1.8)**	(1.5)
Dividends paid	**(1.5)**	–
Total net cash flows	**20.4**	11.3
Opening cash balance	**75.8**	64.5
Closing cash at bank	**96.2**	75.8
Closing trust balance	**139.5**	108.6

The cash flow profile of the Group has followed a similar pattern to the prior year with the majority of customers travelling in the period June to September and therefore the cash flows (excluding any cash held in the trust account) experienced a trough prior to June and a peak following this. As a result the available credit facilities are only utilised for a short period.

Net cash inflows were £20.4m (2023: £11.3m). This is due to increased profitability in the period and increased interest income given the high base rate environment. Not included in the Group's cash position is £139.5m (FY23: £108.6m) of customer prepayments held in a trust account to be released once the customer has travelled. The Group remains in a strong financial position with sufficient cash reserves to continue to invest in its continuing success.

Discontinued operations

During the year we reviewed the performance of our B2B business, being the Classic Collection Holidays ('CCH') and Classic Package Holidays ('CPH') segments and identified necessary changes to improve performance. As a result of these changes the Board believes that CCH should be presented as discontinued operations due to a number of factors including the different revenue expected to be recognised (on an agency basis) in the future.

As a result of these changes we will operate with a simpler operating model for the benefit of suppliers, agents and customers, see note 10 for further details.

As a result of these changes we have recognised a loss on discontinued operations of £7.2m. This includes the write-off of £4.6m of goodwill previously attributed to the CCH segment, as well as redundancy costs, onerous contract provisions and the loss for the period.

The freehold premises from which CCH previously operated are shown as an asset held for sale at the year-end. Following the sale of these premises, which is expected to complete in early 2025, the discontinuation of CCH is expected to be cash neutral.

The prior year also includes the discontinuation of our International business. In FY23 this contributed revenue of £0.9m and an operating loss of £0.5m.

Capital allocation

Following the introduction of a revised capital allocation policy in FY23, the Board has continued to invest in organic growth whilst maintaining capital discipline. The Board has previously signalled its intention to re-introduce a dividend for FY24 given the return to normal market conditions and a sustainable cash generative business model. Alongside this, the Board considers the launch of an on-market share buyback programme of up to £25m as being appropriate in light of the Group's cash generation and strong balance sheet. The Company would intend to cancel those shares upon buyback providing a positive enhancement to EPS.

Dividend

The Board is recommending a final dividend of 2.1p per share (2023: Nil). An interim dividend of 0.9p per share was paid in May 2024. The Board is comfortable that the Company has sufficient distributable reserves to recommend the dividend and commence the share buyback programme.

Current trading and outlook

Our FY24 growth has continued into the new financial year with YTD TTV is +14%. Our forward book is at record levels and Group winter '24 YTD TTV is +25%. We approach our key booking period in Q2 with significant momentum. Our platform and proposition are stronger than ever and we are taking share in adjacent markets. Current trends and strategy give us confidence that summer '25 will be significantly ahead of summer '24.

Medium-term guidance

In the medium-term the Group's ambition is to deliver TTV of £2.5bn, EBITDA of £100m (40% of Revenue) and Adjusted PBT of £85m. Delivery of the strategy is underpinned by our asset light, cash generative model and strong balance sheet. We have the opportunity to accelerate delivery of our ambition with complementary targeted M&A, however we will retain a disciplined approach.

Jon Wormald
Chief Financial Officer

2 December 2024

Sustainability

BEACH HOLIDAYS. FAIRLY. FOR EVERYONE. FOREVER.

We are committed to conducting our business the right way and we want to drive meaningful change across the industry in areas that are strategically important.

To that end, we developed an ESG strategy aligned to our purpose, values and strategy that will help build resilience in the business, improve behaviours in our supply chain, create long-term value and ultimately drive positive change.

Here for people

An inclusive workplace that champions diversity, attracts and fairly rewards talent, and strengthens communities through outreach and social mobility initiatives.

Focus areas

- **Health and wellbeing:** Supporting employee health and wellbeing and cultivating an engaged, skilled and rewarded workforce.
- **Diversity and inclusion:** Creating an inclusive workplace that attracts talents from diverse backgrounds.
- **Giving back:** Giving back to communities and empowering our employees to support causes they care about.

2024 highlights

50%
of our exec team are female

3
new employee voice forums aligned to focus areas above

7.3
employee engagement Index score

87%
response rate to employee engagement survey

5
new family friendly policies launched

Link to SDGs

4 Quality Education, 5 Gender Equality, 8 Decent Work and Economic Growth, 10 Reduced Inequalities

Here for holidaymakers

Providing safe and accessible holidays that empower and inspire customers to travel more sustainably.

Focus areas

- **Health and safety:** Deliver the holiday our customers bought, safely.
- **Customer satisfaction:** Make our holidays accessible and ensure customers have value, choice, flexibility and a great holiday experience.
- **Sustainable travel:** Empower and inspire our customers to travel more sustainably.

2024 highlights

79%
reduction in the word count of our customer T&Cs

3,785
signatures on our safe swimwear petition

1,551
sustainable hotels available on our website

Link to SDGs

12 Responsible Consumption and Production, 16 Peace, Justice and Strong Institutions

Here for the planet

Reducing our environmental impact and helping to protect our natural environment.

Focus areas

- **Climate:** Responding to the climate crisis and measuring and reducing our GHG emissions.
- **Operations:** Reducing the environmental impact of our operations and developing an environmentally-responsible culture.
- **Oceans:** Protecting our beaches and oceans for future generations.

2024 highlights

0%
of waste sent to landfill

0.02%
of direct emissions make up total emissions

42%
reduction in direct emissions set as internal target by 2030

255
trees planted via Fruitful Office partnership

Link to SDGs

12 Responsible Consumption and Production, 14 Life Below Water

Here for people

We're proud of our diverse, talented and dedicated people. They're the driving force behind our success and we're committed to investing in their growth, enhancing their experience with us, and supporting them in reaching their full potential.

FY24 highlights

- New and improved benefits for employees including family-friendly policies, enhanced pension contributions and holiday buy.
- Employee Voice forums established with a focus on Wellbeing, Equality, Diversity & Inclusion, and Community & Charity.
- Achieved a strong Employee Engagement Index score of 7.3 out of 10 and a response rate of 87%.
- Continued focus on increasing the capability and development of our people leaders, building on our Up leadership programme.
- Established initiatives to support education in our communities, providing technical and vocational skills and helping to advance social mobility.

FY25 focus

- Introduce a long-term development programme to support the continuous growth and alignment of our Executive and senior leadership team.
- Design an internal leadership development programme, aligned to the Executive programme, to support the continuous growth of our leaders.
- Creation of a Senior Leadership Forum to strengthen communication throughout the organisation, ensuring that information flows effectively, both upward and downward.
- Continue to create opportunities via our school outreach programme.
- Embed our vision and values across the whole employee journey.

“I feel really lucky to work for a company that takes employee wellbeing seriously.”

Rob Brooks
Social and Content Lead

We continue to focus on enhancing employee engagement and making On the Beach an inclusive place to work where everyone feels empowered to be their authentic selves and supported to reach their full potential.

Supporting our people

Supporting our people in all aspects of their lives, helping them to reach their potential, and contribute to our success remains a priority for us, and this was front of mind when we introduced some changes to our employee benefits earlier this year. We were delighted to launch our new family-friendly policies that have seen us introduce:

- enhanced maternity, shared parental, and adoption leave – 12 weeks' leave at 100% pay and 27 weeks' leave at 75% pay;
- enhanced paternity leave – four weeks at 100% pay;
- two weeks of paid fertility leave for either parent;
- pregnancy loss leave to support anyone who loses a baby at less than 24 weeks; and
- parental bereavement leave to support our employees when the absolute worst happens – up to 12 weeks at 100% pay.

Family-friendly

Rob Brooks
Social and Content Lead

Q How did the new shared parental leave benefit you and your family?

A Shared parental leave allowed me to spend valuable time with my new daughter without having to use annual leave or significantly drop my pay.
It was amazing to get that time while she's still so young and this leave allowed us to go on two small family holidays as a new family – times I will always cherish!

Q How did you split the parental leave?

A I was able to split the parental leave in two two-week stints a couple of months apart and take the time off with my partner, Liv, and our new daughter.

Q How did the shared parental leave help to improve your overall work-life balance?

A Having a child for the first time is daunting, and as someone who takes great pride in work, I was worried about how I might balance work and my new home life. However, shared parental leave gave me important breaks from work when they were sorely needed, usually after long stints of very early mornings and demanding evenings as a new dad.

Q Do you feel the shared parental leave policy reflects our commitment to supporting employees and their families?

A Absolutely. I feel really lucky to work for a company that takes employee wellbeing seriously and this shared parental policy is a huge reflection of that. Honestly, I'm not sure what I'd have done without it!

Q How important do you think it is for companies to offer shared parental leave in today's work environment?

A I think shared parental leave is important today more than ever, especially in families where both parents are career-driven and in full-time employment. With the cost of living shooting up every year, now more than ever, time is a commodity that is so precious and makes such a huge difference to a new parent.

Q What advice would you give to other parents or expectant parents considering taking shared parental leave?

A You should do it – seriously. It can seem quite daunting to take on at first with forms to fill out, decisions on when you'll take the time and, of course, a discussion to be had with your partner on how much time you'll share. But this benefit isn't available at every workplace and is worth its weight in gold.

Here for people continued

Guide dog visit

Case study

As part of our ongoing commitment to employee wellbeing, our Wellbeing Forum invited Guide Dogs UK to visit our Manchester office, transforming an ordinary workday into a memorable experience. Our people had the chance to meet and interact with the guide dogs, offering some much-needed canine companionship. One employee shared, "What started off as a typical miserable day in Manchester turned into one of my favourite working days ever! All I needed was some canine cuddles." The event not only provided a wellbeing boost for our team but also supported the charity's work, giving people the opportunity to purchase merchandise and make donations. It quickly became one of our most popular wellbeing activities, highlighting the positive impact of initiatives that also give back to the community.

When someone decides to bring their career to On the Beach, we believe they should get the full benefit from the moment they walk through the door (be that physically or virtually!) and this is why we've made our family-friendly benefits and others, available to all our people from day one of employment.

Alongside this, we introduced the option to buy additional leave and increased our employer pension contributions.

We also continue to provide free 24/7 access to our Employee Assistance Programme via Simplyhealth, giving our people access to 24/7 confidential in-the-moment support with any mental wellbeing challenges or financial and legal concerns. Alongside this, they have access to virtual GP appointments at a time that works for them and can claim cashback to help with a range of everyday health treatments and services including dental, physio and eye tests and glasses.

Our caring team of Mental Health First Aiders together with our newly formed Wellbeing Employee Voice forum (representing employee voice around all things wellbeing) also provide great resources and events to support employee wellbeing, including a very popular visit from the Guide Dogs!

Connection and collaboration

We're focused on making sure that everyone feels connected to our ambitions and journey, that they understand where we're going, how we'll get there, the role they'll play in our future success and how we'll demonstrate our values in everything we do.

We use our monthly all-hands (Beach Life) to keep everyone connected with our journey, sharing updates and celebrating achievements, and we've introduced communication platforms to support cross-business collaboration and communication wherever our people are working.

We were delighted to involve our people in the official launch of our transformational Ryanair partnership when Eddie Wilson, Ryanair CEO joined us in our Aeroworks office for a live press event and Q&A session. It was a great opportunity to come together and celebrate this important milestone in this way.

We know that positive relationships and strong social connections at work can be a key factor in helping employees reach their potential, and this is why we continue to host monthly social events, giving our people a chance to come together and connect in a relaxed environment.

"When someone decides to bring their career to On the Beach, we want to make sure they feel supported from the moment they join us."

Talent development

We support and encourage our people to grow and develop through a range of different learning opportunities.

This includes access to professional development qualifications and programmes, training workshops to enhance skills and knowledge, and tailored learning sessions to support development and personal and professional growth.

In addition, we leverage flexible learning through our learning platform, Learnerbly. Alongside lots of free resources on the platform, we provide everyone with a personal allowance that they can use to invest in books, courses, coaching, and other resources. This allows them to tailor their learning experience to align with their individual learning style, needs and career goals.

We actively encourage our people to embrace continuous learning and development and share useful resources and content, including podcasts (such as the Squiggly Careers series), TED talks, and book recommendations to help support conversations around growth.

Professional development

Laura Meaney
Paralegal and Claims Manager

Q Tell us about your recent qualification

A In August I qualified with CILEX as a Litigation Executive after the completion of all my exams. Once I have completed my portfolio, I will be a Chartered Legal Executive/Lawyer.

Q How does it feel to have OTB support you with this?

A It's amazing. Their support not only provides valuable opportunities for growth but also makes me feel proud to be part of a team and company that truly cares.

Q What next? Any further quals in the pipeline?

A I'll be looking for further courses to support my development and enhance my knowledge, but for now I am definitely taking a break from exams!

Q How did you balance study work and home life?

A Managing full time work, studying, and a busy home life was a challenge, but On the Beach supported me with study time in the run up to my exams and my manager provided some useful insight into study techniques.

Here for people continued

Women in Travel Board member

Manisha Blair
Marketing Manager

This year, I was invited to join the Board of the Association of Women in Travel ('AWTE')...

... and it's been an incredible experience working alongside inspiring women, and championing opportunities within the travel industry. I'm also part of the TTG 30 under 30 cohort this year, which recognises future leaders of travel.

Both of these roles offer fantastic opportunities for my professional and personal growth and development. Even though much of the involvement happens outside of work hours, it's great to know that On the Beach and my manager recognises and supports my development in this way.

Leadership development

This year, we've introduced a long-term development programme to support the continuous growth and alignment of our Executive team. In line with this, we're designing an internal leadership programme, building on the Up programme we introduced last year, to support the continuous growth of our leaders across the Group.

The internal programme has been designed following an extensive learning needs analysis to ensure the most critical learning needs are met first in order to support our strategic ambitions. The programme will offer our leaders the choice to attend a variety of learning events that align with their identified development needs. Leaders will also be able to access our new Learning and Development Hub, designed to focus learning aligned to our leadership principles and promote self-driven development and curiosity.

We encourage and support all of our employees to also look for opportunities outside of the workplace that will support their professional development, expand their leadership skills, and foster networking opportunities too.

Employee Voice

We regularly seek feedback from our employees via our anonymous engagement surveys. Our annual engagement survey runs every October using the Hive platform, and in addition we run quarterly short Pulse surveys. These insights are crucial in helping us understand what's going well and where we may need to challenge our thinking and do things differently. By doing this we can enhance the daily experiences of our employees while staying focused on making On the Beach a great place to work. The insights from recent surveys led to the creation of our three Employee Voice forums: Wellbeing Forum, Equality, Diversity & Inclusion ('EDI') Forum and Community & Charity Forum.

We've driven a lot of change through our organisation this year to support the successful delivery of our strategy and we were pleased to see that our people have remained positively engaged throughout. In our annual engagement survey FY24 we achieved a strong employee engagement index score of 7.3 and an impressive response rate of 87%.

We're committed to listening to and acting on their feedback to drive further improvements and continue making On the Beach a great place to work.

We encourage diversity of thought, and our newly established Employee Voice Forums are helping with this. Our three forums play a key role in representing employee voice around the important topics of Wellbeing, ED&I and Community.

EQUALITY, DIVERSITY & INCLUSION FORUM

COMMUNITY & CHARITY FORUM

WELLBEING FORUM

They've started some great conversations across the business through our dedicated Slack channels and are helping to drive some meaningful change, with specific targets for the year ahead, including reducing our gender pay gap and celebrating diversity across our business. This is aligned with our strategic direction to ensure that our people have a voice in these important areas.

The forums also feed into our established Pier Group, chaired by Shaun Morton. This ensures that our Chief Executive hears the employee voice firsthand and can work with Pier Group to ensure we continue to drive meaningful change for our people.

Veronica Sharma is our dedicated Non-Executive Director for workforce engagement and regularly meets with Pier Group to discuss ideas and progress, provide industry insights and advice and ensures the employee voice is heard by the business and the Board.

Reward and recognition

Our reward structure is designed to ensure we can attract, retain and incentivise our people to enable us to deliver our business strategy. Further information on reward and workforce remuneration can be found in the Workforce report on pages 104 to 105.

We recognise and celebrate great work with our quarterly Above and Beyond Awards and our End of Year Awards. Everyone gets a chance to nominate those peers who are really going the extra mile, and the winners are selected by the Executive team and celebrated at Beach Life, our monthly all-hands meeting. These awards shine a light on the amazing drive, commitment and talents of our people and the respect and support that our people have for each other. Over the year, we've had over 180 nominations and celebrated 15 winners.

Above and Beyond winner

Lilly Helbling
Software Engineer

Q How did it feel to be nominated for and win an Above and Beyond Award?

A Surprised and seen! It had been such a busy quarter where the business had been able to deliver so much value for our customers. In a time where everybody had worked so hard it felt extremely special to have been chosen for the award.

Q What were you recognised for?

A I was looking for a next level challenge to help build my confidence in my own abilities and show next level delivery capabilities; and was asked to lead a key booking path project.

I worked across a number of teams to ensure successful delivery on time, and received some great feedback from my managers and peers.

Quote from Lilly's manager:
"Lilly smashed this piece of work, while at the same time continuing their contributions to the team, and picked up other work alongside this to ensure their team was also successful."

Q What does this recognition mean to you on a personal and professional level?

A It's a massive achievement on all levels. Given my age and experience there's always a level of doubt in the back of your head when you get assigned a big responsibility.

Being given the chance to work on this project, that I received the award for, felt almost too good to be true. This has really boosted my confidence across the board – knowing that my work is of value and is being recognised as such.

Q What motivates you to go above and beyond in your role?

A When you think of someone that you don't know so well, especially in the workplace, we tend to focus primarily on the role they perform. I want to be known as someone who works hard and that can be trusted – and going above and beyond may be the most straight-forward way to leave that impression.

Here for people continued

Talent attraction

We understand and value the strength that diversity brings, and that's why we're committed to creating an inclusive and supportive culture at On the Beach where our people feel valued, respected, and empowered to reach their potential, regardless of gender.

Attracting and securing diverse talent will always be key to our success and we continue to review and improve our talent acquisition process to ensure we're achieving this.

The more diverse we are, the better we can understand our customers, their wants and needs and work together to find innovative solutions.

This year we supported the Reframe Women in Tech Conference which is all about championing women in technology. It's great to be part of events like this where we can listen and learn from others and proudly talk to women about our inclusive, supportive culture and about careers in Technology at On the Beach.

We also have an eye on our future talent pipeline through the work that we're doing with schools and colleges, to support social mobility. We recognise the important role we can play in educating and inspiring young people around careers in Technology, particularly girls, and we're building a programme that will enable us to start these conversations as early as Year 7.

Jennie Cronin
Chief People Officer

"We want to help increase our understanding of social inclusion and the barriers that exist and give our time and support to help the students to grow, develop, experience and find new opportunities."

In March, we combined a celebration for International Women's Day with a visit from a local high school to support early career conversations. We invited the students to our offices where they met with inspirational women from right across our business who shared their varied and very different career stories - helping to provide some inspiration and food for thought.

We'll continue to build on our partnership with local schools with a focus on inspiring and attracting future talent.

You can read more about this in our Gender Pay Gap report.

"I felt surprised and seen! In a time where everybody had worked so hard, it felt extremely special to have been chosen for the award."

Lilly Helbling
Software Engineer

Giving back

It's important to us that we play our part in giving back and we also want to help our employees to support causes they care about.

Through our Fundraising Boost scheme, we give the fundraising efforts of our people an extra boost, and this year they've been a busy bunch raising money for their chosen charities by completing Swimathons, Ultra marathons and everything in between.

We've also partnered with DKMS UK as our Charity of the Year and we're using our collective and combined efforts to raise awareness of their work, grow the stem cell register and fundraise to support their mission to delete blood cancer. It's a charity that's close to our hearts as our much-loved colleague passed away after a two-year battle with a form of blood cancer and no stem cell donor matches on the register.

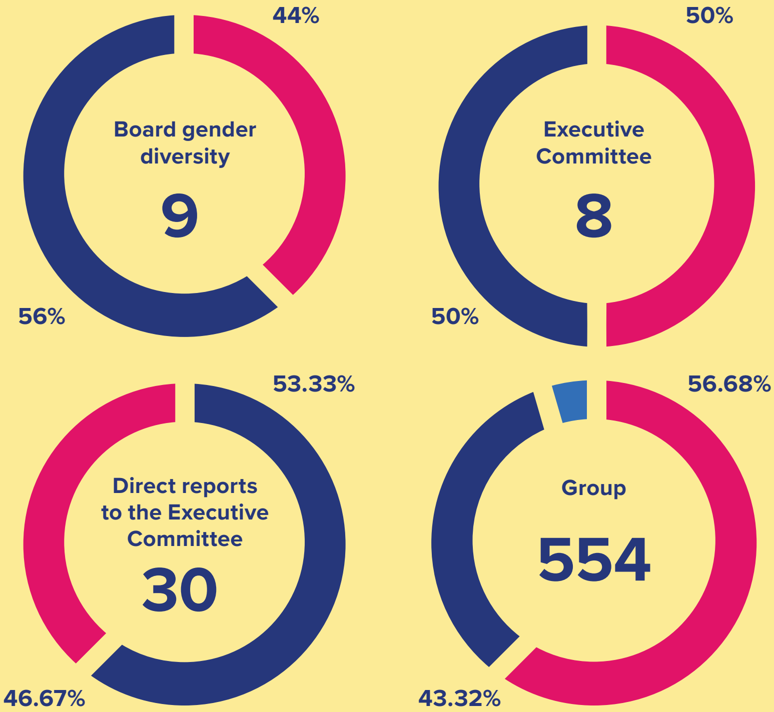
See also our Case Study on our visit from Guide Dogs UK on page 34.

Employment of disabled persons

The Group has carefully adhered to policies in relation to the employment of disabled persons. Selection for employment, promotion, training, and development (as well as other benefits and awards) are made based on merit, aptitude, and ability and the Group does not tolerate discrimination in any form, including in relation to disabled candidates.

The Group works on a one-to-one basis with employees who need support with any health conditions, physical or mental, at any point in their career journey with On the Beach, to understand how all of their individual needs can be met. For example, we'll conduct risk assessments and detail all adjustments that need to be made to accommodate the additional needs of individual employees, eg, disabled parking space, step-free access, and specific workstation needs.

Our gender diversity



Group data as at 30 September 2024.

Male | Female | Prefer not to say

Gender pay gap data

We have published our 2024 Gender Pay Gap report (covering the period April 2023 to April 2024). The full report is available at [https://www.onthebeachgroupplc.com/people/responsibility.](https://www.onthebeachgroupplc.com/people/responsibility)

Our mean hourly pay gap is 27.6% (2023: 35.3%). Our mean gender pay gap is now at the lowest level in our last six years of reporting.

Our long-term ambition is to reduce this gap further and our commitment to closing our gender pay gap is as strong as ever. We're pleased to see that the data is tracking positively to reflect this. We're committed over the long term to designing and developing foundations that will sustain and embed inclusivity across our business, and gender is a key part of this. Although we're making progress, we continue to experience challenges in two key areas: Technology and Contact Centre, and these therefore remain a primary focus.

We know that this is an industry-wide challenge and we're continually looking at how we can encourage more women into technology roles, and understand the barriers to progression and development for our current women in tech.

We have strong gender diversity across all functions with the number of women equal to or greater than men in most functions, and we continue to focus on creating a supportive environment where women can thrive and develop at all levels.

We're looking forward to building on the great work we've done this year, in particular further enhancing the support we offer for our people who are experiencing menopause symptoms, through our partnership with Henpicked.

You can read more about our plans in the Gender Pay Gap report.

Here for holidaymakers

We are committed to delivering safe, accessible, and memorable holidays that give our customers value, choice, and flexibility – while inspiring more sustainable travel choices for a positive impact on people and the planet.

FY24 highlights

- Launched pilot scheme to highlight sustainable hotels to customers.
- Launched safe swimwear campaign to highlight dangers of light-coloured swimwear, to raise awareness and call for change.
- Updated customer T&Cs to make shorter, simpler and more understandable.
- Continued improvements of the end to end customer experience.

FY25 focus

- Optimisation of automation to enable customers to manage their booking more easily.
- Development of App so that our customers can access their holiday booking in a one stop shop.
- Continued engagement with suppliers to encourage and incentivise hotels to obtain a sustainability accreditation.
- Ongoing lobbying of Government and Regulators to ensure a competitive and fair market.

Health and safety

We are committed to maintaining and developing a culture of safety and risk awareness throughout our organisation to the benefit of our customers, suppliers and employees. We have a comprehensive overseas health and safety management system in place, which has been reviewed and approved by the Board, which has ultimate responsibility for health and safety.

The Group's Health and Safety team, through processes and procedures, delivers on our committed safety standards. Risk and safety standards are measured in a number of ways, including remote evidence-based verification, review of documentation and certification and physical audits to ensure compliance. Potential improvements identified are followed up with our suppliers to provide continuous support and proactively improve safety throughout our supply chain. The Health and Safety Committee are responsible for reviewing and assessing the risk management processes and continuous monitoring of standards. The Health and Safety Committee meets on a quarterly basis and reports to the Board on health and safety matters. We also provide helpful content to our customers via our health and safety hub to help keep customers safe on their holidays.

We have implemented a formal incident and crisis management plan to help ensure that in the event of a disaster or crisis, we are prepared and able to respond quickly and effectively. This is regularly updated to take account of learnings from recent events.

Customer satisfaction

Holidays are the best bit of our customers' year, and we need to do everything we can to make sure it measures up to ensure that they go with a swing!

Our holiday perks continue to help customers get even more joy from their holiday, be that starting holiday earlier with free fast-track airport security, feeling like you are travelling premium with free airport lounge or free mobile data to stay connected whilst chilling by the pool.

We continue to optimise our customer service experience, with ever increasing self-serve and automation, making it quicker, easier and cheaper for customers to make amends to their bookings and/or get answers to their queries. We have introduced new ways for customers to contact us based on their feedback (eg, live chat), improved the speed at which we deal with customer queries, increased the opening hours of some of our service teams and multiskilled our service agents to improve first time resolution. Our pledge to give our customers jollier jollies is a call to arms that drives and unites us across all areas of the business.

Here for holidaymakers continued

Sustainable hotels

Case study

During FY24 we have continued to engage with suppliers to encourage and incentivise them to obtain a sustainability accreditation. We use Rating.Bio to compare and measure the sustainability of the hotels that we sell.

Sustainability may not be an immediate focus for our customers when they are searching for their holiday. They are prioritising other matters such as value for money. However, now that we have sustainability data, we have taken the first steps in displaying some sustainability information for our customers who may be interested in this information.

We have launched a sustainable holidays section on our website making it easier for our more climate-conscious customers to make an informed decision about where they choose to holiday and marked certain hotels as sustainable where they have a Rating.Bio sustainability score. These are very early days but we will continue to review the sustainability information we give our customers as this is likely to become an increasingly relevant consideration over the medium to long term.

Number of sustainable hotels available on site as at 2 July 2024

1,551

Accessible holidays

We believe that holidays should be enjoyed by all. There are a number of things we are doing to make our holidays more accessible:

- **Spreading the cost:** We offer low deposits and instalment payments to allow customers to spread the cost of their holiday, and have recently introduced Klarna as an additional option for customers who may prefer to pay for their holiday in instalments that run after the holiday rather than before it.
- **Finding the right holiday:** We have introduced greater personalisation capability through automation and AI so we can show consumers and users holidays which are most likely to meet their requirements.
- **Inclusive design:** We develop all of our consumer facing materials with inclusive design to ensure our product is as accessible and usable by as many people as possible.
- **Special assistance:** We want to make sure everyone can have an enjoyable holiday that suits their needs. We have an experienced team who can help customers with any special assistance requests and we ask customers to let us know of any special assistance requests or needs at the time of booking so that we can check, whether possible, whether those needs can be met.

We will continue to innovate to develop products and processes that make travel easier and more accessible for everyone.

Customer terms & conditions

We want our customers' experience of choosing and booking their holiday to be easy and enjoyable. Before committing to the holiday, we ask our customers to accept our booking conditions and that of our suppliers.

We want our T&Cs to be easy to understand, as short as possible, and in the same tone of voice that we speak to our customers normally. This year, we gave our T&Cs a beachy makeover to achieve this objective and we rolled these out to our customers during FY24.

Our previous word count was 12,829 and having undertaken a full review of our T&Cs our new word count is 2,725 – currently the shortest in the industry. Positive feedback was received from a cross section of our employees and a selection of our customers (Very Important Beachers). They were also externally reviewed by our legal advisers specialising in travel.

The launch of the new T&Cs included a marketing competition to win a free holiday. This perk was hidden within the T&Cs and claimed within the first two days.

Case study

Providing safe and accessible holidays for our holidaymakers to ensure the very best customer experience is one of our key focus areas and during FY24 we have focused on swim safety.

This led to us undertaking some research into child swimwear safety: 66% of children own swimwear which is blue, white or grey and these colours are extremely difficult to see underwater, even just 2 metres below the surface, and in some cases impossible to see. Our research also told us that 90% of parents are not aware that certain colours of swimwear cannot be seen underwater.

We want to ban blue, white and grey children's swimwear to avoid any unnecessary accidents and have called upon the UK Government to urgently review retailers being able to sell these colours for children's swimwear aged between 0-16 years old. We started a change.org petition with over 3,785 signatures and have enlisted the help of Rebecca Adlington, four-time Olympic gold medallist to raise awareness.

Additionally, recognising the importance of swimwear colour, we offered 5,000 pieces of vibrant On the Beach swimwear for free to those that made a qualfying booking, ie a package holiday with a child, and promoted safe swimming by offering a discounted swim lesson. These initiatives have contributed towards the expansion of our perks programme so even more customers can get their holiday started sooner.

Giving back and supporting the people and communities we serve is part of our commitment to embed community engagement activity through our business. We signposted on our website the valuable resources from the Royal Life Saving Society UK along with a link to make a donation.

Here for the planet

We focus on managing climate risks, meeting compliance standards, and reducing our direct emissions with a set GHG target, while protecting natural spaces and fostering responsible practices within our influence.

FY24 highlights

- **Scope 3 GHG emissions:** updated our analysis of our total emissions.
- **Scope 1 & 2 targets:** we set internal targets for our Scope 1 & 2 targets, which follows the latest climate science, and had our baseline data verified by an independent third party.
- **SBTi risk/benefit analysis:** with the information from our Scope 3 assessment, we conducted an analysis and concluded the risks outweighed the benefits of setting a science-based target validated by SBTi.
- **Operations:** we reduced usage of both natural gas and electricity, and maintained our target of 0% of waste from our head office sent to landfill.

FY25 focus

- **Working towards our targets:** implement plans to ensure we can meet the internal targets we have set ourselves.
- **Engagement with suppliers:** continue to engage with suppliers on climate and sustainability matters.
- **Operations:** continue to look at how we can reduce the amount of waste generated and commit to hitting our target of 0% of waste sent to landfill.
- **People:** continue to support our employees' contributions to our targets through training and engagement exercises.

Climate change – areas of focus

Climate change represents a global crisis of unprecedented scale, with rising temperatures, extreme weather events, and the urgent need to reduce carbon emissions placing significant pressure on the aviation and travel sectors.

For the Company, climate change presents both risks that need careful management and potential opportunities. As a responsible business, we recognise our role in supporting our customers and suppliers, while responding to growing consumer interest in climate-conscious decisions.

Our ongoing focus is on:

- **Emissions:** understanding our emissions, setting an appropriate target and working towards it.
- **Suppliers:** engaging with suppliers to encourage sustainable practices.
- **Customers:** monitoring customer attitudes towards sustainability, with the flexibility to adapt as priorities shift.
- **Operations:** improving sustainability within our own operations.
- **People:** supporting our employees in climate-related initiatives that matter to them.

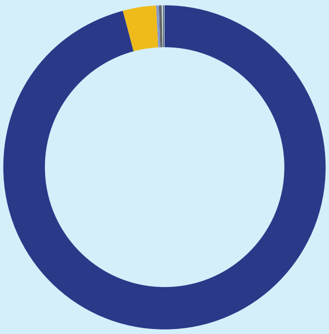
This section of the report outlines some key developments during FY24, as well as statutory greenhouse gas ('GHG') emission reporting and our climate-related financial disclosures.

Emissions

Inventory of total emissions

During FY24, we engaged Envantage, our environmental advisers, to conduct a full GHG inventory for our Scope 1 and 2 emissions for our UK based operations as well as global Scope 3 emissions sources across our value chain. The inventory covers the period from 1 October 2022 to 30 September 2023 ('FY23'). Total GHG emissions were calculated following best practice set out by the GHG Protocol Standard for carbon accounting. GHG emissions for Scope 1 and 2 were calculated using activity data. Activity data was also provided for the majority of Scope 3 emissions including the flights, hotel stays and transfers. Financial data was used for ancillary purchased goods and services only.

FY23 Total – 567,754 tCO_2e



Our own direct emissions, primarily from energy consumption at our two head office locations, are minimal, representing just 0.02% of our total emissions. With intensity ratios of tCO_2e/£m revenue at 1.38 and tCO_2e/employee at 0.3, these emissions are small in the context of the Group's overall footprint.

Indirect emissions, however, account for 99.98% of our total emissions. The travel services our customers use make up 99.6% of this, with flights contributing 95.9% and hotels contributing 3.4%.

Target setting

Armed with the emissions inventory, the Company engaged Envantage to help set a target to reduce its Scope 1 and 2 emissions and assess the potential risks and benefits of pursuing a target validated by the Science Based Target initiative ('SBTi').

The output of this work is that the Company has committed to reducing absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030, using FY23 as the base year. This target is internally agreed and excludes biogenic land-related emissions and removals from bioenergy feedstocks. The boundary of the target includes all emissions within Scope 1 and 2, with no exclusions made from the emissions inventory.

The target is ambitious enough to meet the current SBTi criteria, modelled using the latest climate science and aligned with the goals of the Paris Agreement. Progress towards this target will be reported annually in the Company's Annual Report and Accounts. However, for the reasons outlined below, the Company has decided not to seek validation from SBTi. To provide additional assurance, the Company engaged an independent third party, Lucideon, to verify the accuracy and completeness of the Scope 1 and 2 inventory on which the targets are based.

Target Score	Base Year 2023	Target Year 2030	Target Lifespan (years)
Scope 1 Emissions (tCO_2e)	24.7	14.3	6
Scope 2 Emissions (tCO_2e)	76.6	44.4	6
Scope 1 & 2 Emissions (tCO_2e)	101.3	58.7	6

Assessment of risks and benefits of setting a SBTi

The Company understands that setting a SBTI can offer several benefits, including demonstrating leadership in climate action, aligning our sustainability efforts with global climate goals, and providing a clear roadmap for reducing emissions across the business. It can also enhance credibility with environmentally-conscious customers, investors, and other stakeholders. However, the requirements of the Science-Based Targets initiative ('SBTi') pose significant challenges for our business.

A key concern is that SBTi requires targets to be set for Scope 3 emissions — indirect emissions resulting from the services our customers use, such as flights and hotels. These emissions account for 99.98% of our total emissions, yet we have very limited ability to control or meaningfully influence them, particularly in the case of flight emissions, which constitute 95.9% of our total footprint. The inability to directly manage or reduce these emissions presents a significant risk. Setting targets we cannot confidently achieve could expose the Company to reputational and operational risks, particularly if we are unable to meet those goals due to factors outside our control.

Given the disproportionate influence of Scope 3 emissions on our overall carbon footprint and our limited ability to drive change in this area, we have concluded that the risks associated with committing to a science-based target currently outweigh the potential benefits. Our focus will remain on taking action where we have control and influence, such as reducing our own direct emissions and working collaboratively with suppliers to improve sustainability across the value chain.

Here for the planet continued

Suppliers

As noted on the previous page, flights make up nearly 96% of our total emissions, with limited ability for us to control or influence this. However, airlines have made notable progress in sustainable aviation, including introducing more fuel-efficient aircraft, increasing the use of sustainable aviation fuels ('SAF'), and setting commitments to achieve net zero emissions by 2050.

In contrast, we have greater influence over our hotel suppliers and have engaged with them to encourage sustainability accreditations. In partnership with Rating.Bio, we are working to help more hotels register their sustainability credentials. As at 2 July 2024, 1,551 hotels in our portfolio had been rated as sustainable by Rating.Bio, allowing us to offer greater transparency around sustainability efforts to our customers.

Customers

Understanding changing consumer attitudes is central to our business, and sustainability plays an important role in this ongoing work. We recently introduced sustainability identifiers on 1,551 of our hotels, certified by Rating.Bio, to help customers make informed decisions when booking accommodations. Examples of sustainable practices include towel re-use programmes, water-efficient taps and showers, alternatives to single-use plastics, locally-sourced food, and vegan menu options.

We will continue to monitor booking trends for hotels with the Rating.Bio seal of approval and promote those that perform best with sustainability-conscious consumers. However, we are mindful that many of our customers remain price-sensitive, with cost continuing to be the main driver behind holiday choices.

Operations

As an internet-based business operating from one UK office location (following the closure of our Worthing office during FY24), our direct environmental footprint is relatively small. Nonetheless, we are committed to reducing our environmental impact and contributing to climate change mitigation.

Waste reduction and recycling

We strive to minimise waste across the Group. Promoting a paperless office environment, we encourage employees, partners, and suppliers to handle everything electronically, including invoicing and contracting. Nearly all bookings with customers are managed online. We have also implemented mandatory recycling across our offices, and whenever possible, we re-use office furniture and equipment or donate it to charity. At our head office, from Oct 23 – Sep 24, 62% of all waste was recycled (FY23: 51%), with the remaining 38% diverted from landfill (FY23: 49%). Diverted waste includes compostable items like food and coffee beans. Our efforts to reduce waste include initiatives such as switching to compostable coffee cups and lids in our onsite coffee shop. In FY25, we aim to further reduce waste generation and maintain our target of 0% waste sent to landfill.

Energy efficiency

During FY24 there was a continued focus on conserving energy and other natural resources and improving the efficiency of use of those resources. We have continued to implement initiatives to reduce our carbon footprint this year. This included an expansion of our project to install LED lighting and time control functions in the back of house areas of the office, replacement of the centralised gas-powered water heater with an efficient electric water heating system, and optimisation of the HVAC system to reduce energy usage. We have specified the most efficient equipment and operation for our Head Office. The office is fitted throughout with LED lighting with movement sensors, air handling and conditioning units which can be controlled individually and we have utilised stand-by and power-down options for IT equipment to reduce energy usage in unoccupied areas.

People

We believe that creating an environmentally responsible culture starts with our people. We have rolled out environmental awareness training across the Group and continue to encourage employee-led initiatives. Our employees have demonstrated strong engagement in sustainability efforts, particularly around protecting the environment.

Fruitful Office partnership

We partner with Fruitful Office, which provides fresh fruit to our office weekly. This initiative not only promotes employee wellbeing but also supports reforestation efforts. For every basket of fruit delivered, Fruitful Office plants one tree in Malawi, helping combat deforestation and offset carbon emissions. In FY24, this partnership resulted in the planting of 255 trees.

Oceans

As a travel company, we recognise the importance of oceans to both our business and the planet. Oceans generate most of the oxygen we breathe and are home to vital ecosystems that provide food, livelihoods, and climate regulation. However, they face severe threats, including plastic pollution. In our recent ESG survey, employees expressed strong support for ocean conservation. We have arranged beach cleans with our employees and will continue to support ocean preservation for future generations.

Greenhouse gas emissions

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires us to disclose annual global energy consumption and GHG emissions from full Scope 1 and Scope 2 sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 30 September 2024.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas, fugitive emissions and business travel in Company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

		FY24	FY23	% change
Energy (kWh)				
	Natural gas	**124,880**	132,924	-6.1%
	Electricity	**627,993**	666,493	-5.8%
	Business travel	**101,467**	98,936	2.6%
	Total energy	**854,340**	898,353	-4.9%
Emissions (tCO_2e)				
Scope 1	Natural gas	**22.8**	24.7	-7.7%
Scope 1	Refrigerant Gases	**–**	–	0%
Scope 2	Electricity	**130.0**	137.5	-5.5%
Scope 3	Grey Fleet*	**24.5**	24.0	2.1%
	Total SECR emissions	**177.3**	186.2	-4.8%
Emission intensity ratio				
Emissions intensity (tCO_2e/£m Group revenue before exceptional cancellations)		**1.38**	1.66	-16.9%
Emissions intensity (tCO_2e/Full Time Employees)		**0.30**	0.35	-14.3%

* This represents an element of, not total, Scope 3 emissions.

We are committed to reducing our environmental impact and contribution to climate change through continuous improvement procedures. As a large enterprise that meets the qualifications criteria for ESOS, we are currently in the process of conducting an energy audit aimed at identifying cost-effective measures to enhance energy efficiency and mitigate carbon emissions. We continue to procure our electricity from the British Gas' "Zero Carbon Electricity" energy plan and do not use natural gas at our head office. Our market-based Scope 2 emissions for the current reporting period amounted to zero, compared to 76.6 tCO_2e in FY23. We have also been considering other carbon reducing initiatives that can be implemented over the coming years.

Methodology

Activity data has been converted into equivalent energy and GHG emissions using emissions factors published by the UK Government in 2024. Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices and half hourly electricity data.

Transport disclosures from Company-owned vehicles and personal cars used for business purposes have been calculated using business mileage expense claim records. Mileages have been converted into equivalent energy and GHG emissions using emissions factors published by Department for Business and Trade in 2024. Vehicle information such as vehicle engine size and fuel type were not available for all claims. Where this information was available, the appropriate conversion factors have been utilised. Where this information was not held against an individual claim, an average fuel factor and average vehicle size has been assumed.

Fugitive emissions from HFCs have been calculated using HFC servicing reports provided by On the Beach Group plc. Fugitive emissions result from the release of refrigerants used in refrigeration and air conditioning units. Full-service records were available for each unit at Aeroworks and Saxon House and were reported as being in good condition with no further work required.

Here for the planet continued

Climate-related financial disclosures

The Board recognises the importance of understanding and managing the impact of potential climate-related risks and opportunities on the Group's business and strategy.

The following disclosures are consistent with the Task Force on Climate-related Financial Disclosures ('TCFD') recommendations. They summarise our approach and progress under each of the four pillars of the TCFD – governance, strategy, risk management, and metrics and targets.

We have considered our "comply or explain" obligations under the UK Financial Conduct Authority Listing Rules and we are fully compliant with all 11 recommendations.

In addition, the following disclosures are intended to satisfy the requirements of the Companies Act (Strategic Report) (Climate-related Financial Disclosure) Regulations 2021.

Governance

TCFD Requirement 1: Describe the Board's oversight of climate-related risks and opportunities

TCFD Requirement 2: Describe management's role in assessing and managing climate-related risks and opportunities

On the Beach's governance structure for climate-related risks and opportunities is overseen at multiple levels:

Board

The Board has overall responsibility for the strategic direction and risk appetite related to climate change. It monitors the implementation of the sustainability strategy and receives periodic updates on climate-related risks, opportunities, and mitigation methods. Shaun Morton, CEO, holds ultimate accountability for climate-related issues and participates in Board and Audit Committee meetings.

Executive team

The Executive team, led by Shaun Morton, is responsible for the operational delivery of the sustainability strategy, integrating climate-related risks and opportunities into decision-making processes. The team facilitates ESG initiatives across the Group and receives biannual reports from the Executive Risk Committee ('ERC') on climate-related matters.

Audit Committee

The Audit Committee reviews the effectiveness of climate-related risk management systems and approves reporting statements, including TCFD disclosures.

Executive Risk Committee

The ERC focuses on the governance of climate-related risks, overseeing their identification and management. It reports to the Audit Committee twice a year on the effectiveness of risk management processes.

Climate Change Committee

In addition to the ERC, we have established a Climate Change Committee that meets quarterly. This committee reviews the impact of climate-related matters on operations, including financial implications, and develops plans to mitigate future risks, such as the impact of wildfires. It reports its findings and recommendations to the ERC twice a year.

This multi-tiered approach ensures alignment and commitment to managing climate-related risks and opportunities.

Strategy

TCFD Requirement 3: Describe the climate-related risks and opportunities the organisation has faced over the short, medium and long term

We have identified key climate-related risks and opportunities that could significantly impact our operations and strategy over the short (1-5 years), medium (5-10 years), and long term (10+ years). A summary of these risks is provided in the table on page 50.

Risks

This year, the primary climate-related risk was extreme heat/weather due to wildfires, flooding or other extreme weather events in holiday destinations. While other risks have not materialised in the short term, we will continue to monitor them closely.

Over the medium and longer term, we would expect to see an increase in customer sentiment risk, talent retention risk and extreme heat/weather risk (acute and chronic). It is difficult to predict the impact and likelihood of carbon pricing risk over the medium and long term but we continue to monitor this.

Opportunities

Our strategy includes several climate-related opportunities:

- As consumer demand for sustainable travel increases, we can use technology to enhance our offerings by showcasing sustainability information and connecting eco-conscious customers with suitable suppliers.
- Our commitment to excellent customer service includes refining crisis response protocols to handle climate-related disruptions effectively, as demonstrated during wildfires.
- Future opportunities to introduce sustainability-related perks will be explored based on customer preferences.

While our consumer research shows sustainability is currently a lower priority compared to quality and price, we see potential for growth in this area over the medium to long term. As any risk increases as outlined above, so does our opportunities. Our agile business model enables us to adapt quickly to emerging risks, enhancing our ability to seize new opportunities.

TCFD Requirement 4: Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

In the near term, climate-related risks and opportunities have minimal impact on the organisation's businesses, strategy, and financial planning. In the medium-to-long term, they could have more of an impact as the risk increases, which we will continue to monitor. In making the viability statement on page 59 we modelled a severe reduction in consumer demand caused by climate-related concerns. See page 60 for more details.

Customer Sentiment – Risk & Opportunity

Currently, customer sentiment regarding climate issues does not impact our operations. However, we anticipate potential shifts in sentiment in the medium term, making it essential to monitor, at which point it may influence our business strategy and financial planning.

Extreme Heat/Weather Risk (Chronic) – Risk & Opportunity

Chronic extreme heat/weather risks have not yet affected the desirability of our destinations. Our agile business model allows us to adapt swiftly to shifts in consumer demand if this situation arises, with no current impact on our business, strategy, or financial planning.

Extreme Heat/Weather Risk (Acute) – Risk

We have experienced extreme heat, wildfires, and other severe weather events, such as flooding, in certain destinations. Our well-documented incident management plan effectively mitigated operational impacts. Consequently, no specific losses have been incorporated into future financial plans, nor has this affected strategic decisions regarding destinations. This matter is under close review by the Climate Change Committee and Executive Risk Committee.

Talent Retention – Risk

In the short to medium term, the impact on talent retention is expected to be minimal. While a small subset of potential candidates may be deterred by the nature of our business, we believe this will not significantly affect our overall talent acquisition or financial planning.

Carbon Pricing – Risk

Currently, there is no carbon pricing impacting our operations. No new taxes on flying have been introduced, despite commitments to net zero by 2050. The Labour Government has not included any such commitments in its manifesto pledges or Autumn budget. Therefore, we do not foresee immediate impacts on our business, strategy, or financial planning, but we will continue to monitor the situation.

Here for the planet continued

Strategy continued

TCFD Requirement 5: Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

We have conducted climate scenario analysis to assess the potential impacts of climate change risks and opportunities on our business and to evaluate the resilience of our strategy under various climate outcomes. The scenarios were based on the Network for Greening the Financial System ('NGFS') framework and were selected to align with TCFD best practices. The following three scenarios were considered:

1. Net Zero 2050: This ambitious scenario limits global warming to 1.5°C through stringent climate policies and innovation, achieving net zero CO_2 emissions around 2050. Physical risks are relatively low, but transition risks are high.
2. Divergent Net Zero: Similar to the Net Zero 2050 scenario, this scenario also reaches net zero by 2050 but assumes higher costs due to inconsistent policies across sectors and a quicker phase-out of fossil fuels. Transition risks are considerably higher compared to the Net Zero 2050 scenario.
3. Current Policies: This scenario represents a business-as-usual approach, preserving only currently implemented policies. It leads to high physical risks and is projected to result in approximately 3°C of warming by 2080.

The analysis focuses on the next 30 years, aligning with governmental regulatory aspirations for net zero by 2050.

Exposure to climate-related risks varies significantly across scenarios. Physical risks are heightened in the Current Policies scenario, while transition risks are more pronounced in the net zero scenarios. Notably, carbon pricing could have substantial financial implications, particularly in net zero scenarios, though the potential impact of physical risks remains significant and difficult to quantify.

Risk management

Risk	Carbon pricing	Consumer sentiment	Talent retention	Extreme heat/weather (acute impact)	Extreme heat/weather (chronic impact)
Category	Transition	Transition	Transition	Physical	Physical
Description	Carbon taxation may be directed either at the Group's direct operations, or in the form of increased taxation across the aviation sector. This could increase our cost base.	Change in consumer sentiment may impact demand if aviation is seen as a "problem" sector. This could impact the Group's addressable market and revenues.	Changing perception of current/prospective employees towards businesses with exposure to carbon intensive industries may create retention or attraction risks.	Disruption from wildfires or floods close to either major transport hubs or holiday destinations could cause potential revenue loss. Wildfires or floods may change the relative desirability of certain destinations which potentially could impact revenues.	Prolonged periods of extreme heat or weather may change the relative desirability of certain locations and may cause a decrease in demand if "staycations" become more popular.
Time horizon	Medium – long	Medium – long	Medium – long	Short – Long	Short – Long
Financial implications	Low	Low	Low	Low	Low
Likelihood	Low	Medium	Low	Medium	Medium
Methodology	A range of potential costs were modelled based on assumed emissions growth and projected carbon price within the scenarios[1].	Difficult to currently quantify as a broad range of outcomes are possible based on technological innovation and public opinion on air travel.	Cost based on assumed attrition rate increases due to broader sustainability concerns relative to baseline.	Difficult to quantify – broad range of outcomes based on impact of physical risk and customers' willingness to accept these.	Difficult to quantify – broad range of outcomes based on localised temperature rises and customers' willingness to accept these.

1. Carbon prices were derived from an average of the outputs of GCAM5.3, MESSAGEix-GLOBIOM 1.1 and REMIND-MAgPIE 2.1-4.2 models for the European Economic Area (or similar), sourced from the NGFS Scenario Explorer.

Risk management
continued

TCFD Requirement 6: Describe the organisation's processes for identifying and assessing climate-related risks

TCFD Requirement 7: Describe the organisation's processes for managing climate-related risks

TCFD Requirement 8: Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Our processes for identifying and managing climate-related risks are integrated into our overall risk management framework, overseen by the ERC. Climate-related risks are assessed using the same approach as other risks within our risk management system (see page 54 for details).

Climate change is evaluated during our principal risk assessment process. Currently, we do not view climate change as a principal risk that could fundamentally alter the demand for our holidays or our operational capacity. However, it is acknowledged as a relevant factor affecting several strategic risks, including operational disruptions, talent management, customer demand, brand perception, regulatory compliance, and financial liquidity.

To identify priority climate-related risks, we conducted workshops with key stakeholders to understand the operational implications of each risk. This led to the identification of five priority risks, which were assessed based on their potential impact and likelihood. The ERC reviews these risks biannually, ensuring they are incorporated into the existing departmental risk registers, each with assigned risk owners.

The ERC receives regular updates from risk owners, including detailed reports from the Climate Change Committee on issues such as extreme heat and weather risks. These reports cover operational and financial impacts and outline planning measures for future risk mitigation. Through this structured approach, we maintain oversight and ensure that climate-related risks are effectively managed within our overall risk management strategy.

Metrics & targets

TCFD Requirement 9: Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The most relevant metrics, on which we report annually, are our GHG emissions and carbon intensity ratios. These are key metrics which are relevant to a number of climate-related risks and opportunities.

On Extreme Heat (acute) risk, the ERC receives a report from the Climate Change Committee on the number of climate-related weather events during the relevant period and the financial impact of those events.

On Customer Sentiment Risk, the ERC receives a report which qualitatively assesses customer sentiment risk. This includes a review of licensed ATOL passengers and Google data, which are useful indicators of customer sentiment, as they are a barometer of customer demand for the holidays we sell.

On Talent Retention Risk, there are a number of metrics which are monitored more generally by the business including voluntary employee turnover, and the HIVE engagement score. It is not necessary to implement specific climate-related talent metrics at this stage, but we will keep this under review.

TCFD Requirement 10: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks

The Group reports on its Scope 1 and 2 emissions and, to the extent required by SECR, Scope 3 emissions (in relation to grey fleet) as disclosed on page 47. The Group has also disclosed information about its total emissions inventory including Scope 3 on page 45.

The main risk surrounding our operational emissions is potential exposure to carbon pricing. A carbon tax imposed on our direct operations is unlikely to have a material impact on the business under all scenarios. However, a carbon tax applied to our full Scope 1–3 emissions is likely to have a substantial impact, though is considered highly unlikely. Setting a target to reduce Scope 1 and 2 emissions, and better understanding our Scope 3 emissions will assist us to mitigate this risk.

TCFD Requirement 11: Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

As noted on page 45 we have set a target to reduce our Scope 1 and 2 emissions by 42% by 2030, which is aligned to the Paris Agreement. We will report on performance against that target in next year's Annual Report and Accounts.

We do not consider it necessary to set any other targets to manage climate-related risks and opportunities but will continue to keep this under review.

Governance

Governance

We are committed to doing business the right way and our ESG pillars are underpinned by robust governance and effective policies. Further details of our governance framework can be read on pages 70 to 78.

Anti-corruption and bribery

We are committed to operating ethically and employees do not actively seek gifts or favours from any of our suppliers, or from other persons or organisations that we associate with. We have top-level commitment to anti-bribery and corruption, and ensure all employees behave professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and implement and enforce effective systems to counter bribery. We are set up to fully support our employees, should they need to raise concerns about unethical, criminal or dangerous activities within the Group, and as such provide a confidential whistleblowing telephone line, through an independent and impartial organisation.

Human rights and modern slavery

We are committed to supporting human rights through our compliance with national laws and through our internal policies which adhere to internationally recognised human rights principles.

We have a zero-tolerance approach to any form of modern slavery. We are committed to acting with integrity and transparency to help eradicate any modern slavery in our business and supply chain. We maintain an Anti-Slavery and Human Trafficking policy and in accordance with the Modern Slavery Act, the Group has a modern slavery statement which can be found on our website www.onthebeachgroupplc.com/responsibility.

We safeguard our employees through a framework of policies and statements including anti-slavery, equality and diversity and data protection policies.

Supply chains

We expect all suppliers to implement a zero-tolerance approach to slavery, forced labour and human trafficking, and to comply with all local and national laws and regulations. All hotels are required to complete self-assessment audits which cover various topics including compliance with law and regulations.

Data security and privacy

As an online retailer serving millions of customers, protecting their data and ensuring safe online shopping is critical. We meet our legal and regulatory duties and responsibilities for protecting the personal data we have within our care. Our policies and procedures are built on the world-recognised principles contained within the EU General Data Protection Regulation.

Whistleblowing

Our whistleblowing policy encourages employees to raise any concerns about illegal or improper behaviour without fear of victimisation, discrimination or disadvantage. We have a whistleblowing telephone service run by an independent organisation, allowing employees to raise concern on an entirely confidential basis. The Audit Committee receives regular reports on the use of the service and concerns raised.

Non-financial and sustainability information statement

The table below sets out where the information required to be disclosed under sections 414CA and 414CB Companies Act 2006 can be found in this Annual Report.

Reporting requirement	Policies and standards	Where to read more in this report to understand the impact on the business, and the outcome of applying our policies
Environmental matters	The Company does not have a specific policy on environmental issues, however, more information on our business impact on the environment can be found in the Responsibility and Sustainability report, on page 44, which also contains the statutory carbon emission and energy data on page 47.	
Employees	• Equality and diversity policy • Board diversity policy • Whistleblowing policy • HR policies including adoption leave, parental leave, flexible working • Health and safety policy • Staff handbook	• Responsibility and Sustainability, page 32 • Stakeholder engagement and s.172 statement, page 79 • Principal risks and uncertainties, page 55 • Gender Pay Gap report www.onthebeachgroupplc.com/responsibility
Social matters	• Health and safety policy • Staff handbook	• Responsibility and Sustainability, page 40 • Stakeholder engagement and s.172 statement, page 79
Human rights	• Modern slavery statement • Anti-slavery and human trafficking policy • Data retention and destruction policy • Data handling and data quality policy • Employee data privacy policy	• Responsibility and Sustainability, page 52
Anti-corruption and anti-bribery	• Anti-bribery and anti-corruption policy • Whistleblowing policy • Staff handbook	• Responsibility and Sustainability, page 52 • Audit Committee report, page 92
Business model		• Business model, page 12
Non-financial KPIs		• Non-financial key performance indicators, pages 21 to 23
Description of principal risks		• Principal risks and uncertainties, page 55

Certain Group policies are not published externally.

The Company's Strategic report, set out on pages 1 to 61, was approved by the Board on 2 December 2024 and signed on its behalf by:

S Mort

Shaun Morton
Chief Executive Officer

2 December 2024

Risk management

Approach to risk management

Risk is an inherent part of our activities and it is imperative that sound risk management is embraced across the whole Group. Effective risk management allows us to identify, monitor and mitigate risks in line with our risk appetite so that the Group can deliver on its strategic objectives and ensure long-term sustainable growth.

Risk appetite

The Group's risk appetite, set by the Board, sets out how we balance risk and opportunity in pursuit of our strategic objectives and establishes clear parameters in which departments and the Executive team can work and succeed. Our risk appetite statements have been developed in relation to each category of risk and are aligned to our strategic objectives. The statements are used to guide decision-making as to whether a risk is within risk appetite or not and is recorded in the principal risk register for each risk.

Risk management process

The following risk management process is applied when identifying risks that could impact the business:

Risk identification

The process for identifying risks is forward-looking to ensure emerging risks are identified, considering what could occur in the next 12–24 months. Risk assessments are conducted in relation to everyday operational activities, especially when there is a change in working practice or the environment. These are regularly reviewed for scope, appropriateness, and completeness.

Risk assessment

Once the risk has been identified and described, risk assessment is conducted. This involves assigning each risk a standard rating which determines what mitigation actions (if any) need to be considered and implemented. The risk register is in place to capture risks that impact on the achievement of the operational plan, business objectives and key deliverables.

Risk evaluation and control

The objective of risk evaluation is to understand the operating levels of the identified risks. It provides an opportunity to separate the minor acceptable risks from the more significant risks or recurring risks. It includes the comparison from the risk analysis with the established risk criteria to determine action to mitigate the identified risks.

Key roles and responsibilities

Risk management at On the Beach is a shared responsibility across the business. The governance structure to report and escalate risk is shown below:

- **Board:** The Board has overall responsibility for risk oversight and maintaining a robust risk management and internal control system. The Board determines the extent of risk the Company is willing to take through the agreement of the risk appetite statements, having regard to the internal and external environments in which we operate. The Board, in conjunction with the Executive team, retains ultimate responsibility for identifying and managing risk within the business.
- **Audit Committee:** Assists the Board in fulfilling their risk oversight and management duties by providing a particular focus on escalated risk and the associated risk management processes. The Audit Committee keeps under review the adequacy and effectiveness of the internal controls and risk management system.
- **Executive team:** Owners of the risk management process who are responsible for embedding risk management throughout our business. The Executive team review the strategic risk register ('SRR') twice annually, and each member of the Executive team meets periodically with the Head of Group Risk to review which functional risks need to be escalated to the SRR.
- **Executive Risk Committee ('ERC'):** Dedicated to the oversight and governance of risk. Membership includes the Head of Group Risk and Executive representation from the CFO, General Counsel and Chief Strategy Officer. The ERC monitors the risk registers in place and in use across the Group such that all areas and activities within the Group are covered, as well as ensuring timely identification and appropriate escalation of risk. The ERC provides quarterly updates to the Audit Committee over the effectiveness of risk management.

Emerging risks

In addition to the principal risks, the Executive Risk Committee and Board also consider emerging risks as part of their reviews. These are risks that, whilst not currently believed to be principal risks to the Group, are clearly important to us and could have a significant impact on the ability of the business to fulfil its strategic objectives in the future.

Link to strategy

For each risk highlighted, we have specified the strategic design principles to which these risks relate.

These are:

1. Stickiness
2. Choice
3. Peace of mind
4. Scale & automation

FACTOR 50

Principal risks

Strategic Design Principles

1 Stickiness
2 Choice
3 Peace of mind
4 Scale & automation

Changes to our principal risks

In the 2023 Annual Report and Accounts, "Recoverability of Airline Refunds" and "Acquisition and Organic Growth Risk" were included as Group principal risks. Following the entering into of the Partnership Agreement with Ryanair in February 2024 the Board believes that the risk in respect of "Recoverability of Airline Refunds" has materially reduced. The Board believes that "Acquisition and Organic Growth Risk" no longer requires disclosure as a separate principal risk as M&A activity is unlikely at the present time and any risks around organic growth are incorporated within other principal risks.

Customer Risks

1. Demand

Link to strategy 1 2 3 4

Direction of travel ↔

Risk and impact

- Reduced economic growth or a recession can lead to reduced job security and a reduction in consumer leisure spending.
- Environmental and sustainability concerns could affect demand with consumers choosing to travel less frequently.

Mitigation

- Our flexible payment arrangements enable customers to spread the cost of their holiday.
- We offer financial protection through ATOL bonding and consumer trust account arrangements.
- We are not carrying physical assets such as planes and hotels, which makes us dynamic and responsive. We can prioritise the safety, satisfaction, and evolving preferences of our customers by swiftly adapting our holiday locations to mitigate climate risks and meet market demands.

2. Safety

Link to strategy 1 2 3

Direction of travel ↔

Risk and impact

- A health and safety incident or security incident could cause significant injury/loss of life, litigation, reputational damage, fines/regulatory sanctions and reduction in future revenues.
- We can be held liable for death/personal injury or illness suffered by customers that are the fault of any suppliers.

Mitigation

- We have public liability insurance in place to cover our risks as a package organiser as well as thorough claims reporting, investigation and handling processes. We also have indemnities with most suppliers to enable recovery.
- We regularly review our health and safety management system; this is led by an experienced health and safety professional. We also work with suppliers to ensure that customers' health and safety is monitored throughout the supply chain.

3. Brand and Consumer Proposition

Link to strategy 1 2 3

Direction of travel ↔

Risk and impact

- We rely on the strength of our brand and reputation to set us apart from competitors and attract customers to our website and apps to secure bookings.
- Events or circumstances which give rise to adverse publicity could damage our brand/reputation, leading to a loss of goodwill and reduced customer demand, reducing our competitiveness and market position.

Mitigation

- We invest in our brand, through a broad variety of online and offline marketing and PR campaigns, to build brand awareness and consideration.
- We continue to develop and improve our customer experience, improving our apps and self-serve capabilities, as well as expanding our perks proposition.
- We have internal and external PR advisers to support us as required.
- We actively monitor satisfaction through NPS score and customer feedback and are investing in additional resources in this area.

Principal risks continued

Strategic Design Principles

1 Stickiness
2 Choice
3 Peace of mind
4 Scale & automation

Operational Risks

4. Operations

Link to strategy 1 3 4

Direction of travel ↔

Risk and impact

- We have legal obligations to address significant changes or disruptions to customers' holidays. They might be caused by unpredictable events, both domestic and international, which can also impact business continuity.

Mitigation

- We have customer incident management processes in place to identify and respond to a wide range of incidents. These plans are regularly tested and updated.
- Our business continuity and disaster recovery plans are also regularly reviewed and updated.

5. Talent

Link to strategy 2 4

Direction of travel ↔

Risk and impact

- We rely on attracting and retaining talent in an area where there is a particularly high degree of competition.

Mitigation

- We truly care about our positive, informal and open culture, providing a great environment for our employees. See Here for people section on pages 32 to 39.
- We are constantly reviewing our remuneration tools, including base salary, bonus and share schemes and enhanced policies.

6. Supply – Major Airline Failure

Link to strategy 1 2 3

Direction of travel ↔

Risk and impact

- In such an event (eg, airline collapse), we must replace the customer's flight arrangements, or refund the customer in full for the holiday within 14 days.
- This leads to loss of margin on cancelled bookings, incremental costs to arrange alternative flights and greater than expected cash outflows.

Mitigation

- We have detailed and well-rehearsed plans in place to deal with a major airline failure, having dealt with airline failures before (Monarch and Thomas Cook).
- We have a working capital facility to ensure there are sufficient funds to refund/replace customer bookings.
- We pay for most flights using cards which include chargeback rights.
- Our treasury committee performs quarterly reviews of the counterparty limits and credit ratings of our major suppliers.

7. Flight supply

Link to strategy 1 2 4

Direction of travel ↓

Risk and impact

- A lack of flight supply or limited capacity affects the Group's ability to meet customer demand for holidays. Some airlines reserve capacity for their own packages or set higher prices for indirect customers, limiting customer choice, reducing value, and challenging the Group's ability to compete fairly.

Mitigation

- The Group has established strong partnerships with several airlines, and its proprietary technology and innovations help ensure operational resilience.
- The Group entered a significant partnership with Ryanair, which has materially reduced flight supply risk.

Strategic Design Principles

1 Stickiness
2 Choice
3 Peace of mind
4 Scale & automation

Technology Risks

8. Data and Security

Link to strategy 3 4

Direction of travel ↔

Risk and impact

- A major security breach, whether stemming from human error, deliberate action, a technology failure, or vulnerabilities in AI systems, could lead to unauthorised access to or misuse of our technology, customer data, employee data, and commercially sensitive information.
- During the year, the risk profile has evolved with the rapid development and integration of artificial intelligence, which alongside significant opportunities, presents new challenges in data privacy, security, and regulatory compliance.

Mitigation

- Our security policies, processes and technology are baselined against recognised standards such as NIST 800-53 and PCI-DSS.
- A dedicated secure and PCI-DSS compliant card holder environment is maintained to protect customer payments. This is backed by a 24/7 Managed Security Service provided by our Information Security partner.
- There is a dedicated Information Security function in place overseeing regular security training for all employees. As part of our ongoing risk assurance work, we commissioned an external cyber security assessment.
- We have cyber insurance coverage to mitigate the impact and expedite recovery in the event of a breach.
- We have introduced an AI policy, which outlines security measures, regular system audits, and continuous monitoring to address AI-specific vulnerabilities, ensuring protection against potential exploits and maintaining the integrity of our data systems.
- We performed a security maturity assessment in the year to validate our information security arrangements and identify any areas for further improvement.

9. Innovation, Transformation and Scalability

Link to strategy 1 2 3 4

Direction of travel ↔

Risk and impact

- Failing to keep up with growing demand, not innovating – especially not leveraging AI, or inadequately adapting our technologies to changing customer attitudes and needs could hinder our growth and the quality of service offered to our customers.

Mitigation

- Our technology is hosted by AWS which facilitates both scale and pace of development.
- We are actively integrating new technologies including AI within our operations, designed to handle a wide range of customer enquiries, reducing wait times and improving customer satisfaction by providing immediate assistance. Furthermore, AI is helping us to refine user experience and streamline processes across the business.
- By leveraging AI, we are not only addressing the risks associated with technological stagnation but we are also positioning ourselves to capitalise on emerging opportunities to drive growth and maintain our competitive edge.

Principal risks continued

Strategic Design Principles

1 Stickiness
2 Choice
3 Peace of mind
4 Scale & automation

Other Risks

10. Laws and Regulations

Link to strategy 1 2 3 4

Direction of travel ↔

Risk and impact

- Our business is highly regulated and is subject to a complex regime of laws, rules and regulations concerning travel and aviation, online commerce, financial services, consumer rights, data protection and ESG issues.
- Unfavourable changes to or interpretation of existing laws could adversely affect the Group's business and financial performance.

Mitigation

- Our internal legal team, together with external legal advisers guide us on current and forthcoming legal requirements.
- We review draft proposals for law reform and participate in industry steering, policy groups and advisory committees, through which we can lobby on legislative change.

11. Financial Risk and Liquidity

Link to strategy 1 2 3 4

Direction of travel ↓

Risk and impact

- The risk that we have insufficient liquidity, do not have appropriate access to funds, there are negative movements in the market, adverse FX and interest rates or we cannot meet our obligations as they fall due.

Mitigation

- We have access to a £85m revolving credit facility ('RCF') with bank covenant tests which are regularly monitored.
- Our business model is cash generative even in a recessionary environment and several mitigating actions can be taken if required.
- Regular budgeting and forecasting ensures working capital is sufficient for business requirements and rapid reaction to adverse business performance is available.

Change in the year

- In January 2024, an option was exercised to extend the facility by £25m in order to provide additional working capital headroom for continued growth. This extension is effective until July 2025.
- During the year we introduced a new Group treasury policy to govern and manage financial and liquidity risks.

Viability statement

The objective of the viability statement is for the Directors to report on their assessment of the prospects of the Group meeting its liabilities over the assessment period, taking into account the Group's available financing facilities, business model, strategy, regulatory environment, principal risks and uncertainties, recent financial performance, outlook, and current financial position.

Assessment of prospects

The Board has determined that a period of five years to 30 September 2029 is the most appropriate period to provide its viability statement. The Group prepares rolling five-year strategic plans and cash flows, so setting the viability statement period at five years enables the assessment to be made based on reasonable expectations in terms of the reliability and accuracy of forecasts. The Directors believe that projections which extend beyond this period become significantly less meaningful given the dynamic and volatile nature of the industry in which the Group operates.

The Group's overall business model (illustrated on pages 12 and 13) and its strategy (as outlined in the Strategy section of the report) are central to assessing its future prospects. As such, key factors likely to affect the future development, performance and position of the Group are:

- **Talent:** the Group's continued success and growth are dependent on the ability to attract, retain and motivate a highly skilled workforce, with a particular focus on digital talent;
- **Technology:** continuous investment is made in developing platform technologies and personalisation techniques which lead to improvements for consumers, suppliers and employees; and
- **Brand and marketing:** our strong brand and efficient marketing tools enable us to continue to take share of market traffic.

The Group's prospects are assessed primarily through its strategic planning process. The planning process is based on three limbs which are:

- the preparation of cash flow forecasts to cover the period for which we are assessing the potential impact of events on the Group's viability. The forecasts will be initially based on previously approved financial statements and then extrapolated to cover the period we are reviewing;
- a review of the specific sensitivities on those cash flow forecasts relevant to the Group, with a view to highlighting potential areas of stress for the business; and
- a review designed to estimate the impact of specific events and/or circumstances which could be reasonably expected to occur, that have the potential to affect the viability of the Group.

Once those scenarios have been identified, the Group then considers the most effective means of mitigating the risks they pose. This is achieved through reviewing the existing procedures and controls already in practice that serve as key mitigations to those risks, and also considering where those controls and procedures could be revised or improved upon to better protect the Group as a going concern.

Assessment of viability

The output of the Group's strategic and financial planning process reflects the Board's best estimate of the future prospects of the business. To make the assessment of viability, however, additional scenarios have been modelled over and above those in the ongoing plan, based upon a number of the Group's principal risks and uncertainties which are documented on pages 55 to 58.

These scenarios were overlaid into the plan to quantify the potential impact of one or more of these crystallising over the assessment period. Whilst each of the Group's principal risks has a potential impact and has therefore been considered as part of the assessment, only those that represent severe but plausible scenarios have been modelled.

Scenario 1 – Airline failure

Link to risk 6 major airline failure

Although the Group does not expect another airline failure in the immediate future, the possibility remains that another supplier could fail leading to a large exceptional cost to cover the necessary refunds to customers and any other related costs. This model was thoroughly tested in FY19 whilst dealing with the Thomas Cook failure and the Group remains confident that the short-term cash impact, before our chargeback claim is processed, can be covered by existing cash reserves.

The Group has reviewed the list of its airline suppliers and does not consider any major airlines to be notable failure risks. The Group has modelled the impact of one of its larger suppliers failing to consider the impact of refunding customers and reclaiming refunds on the cash balance in addition to the impact on profitability whilst the Group finds alternative supply. In any event the Group remains prepared for such a failure through the combination of this hypothetical planning process and its recent experience of dealing with actual airline failures.

Scenario 2 – GDPR fine or other major one-off cost

Link to risk 10 non-compliance with laws and regulations

A serious GDPR breach can attract a fine of €20m or 4% of turnover, whichever is greater. For the Company, this would be €20m (£17m). The Group takes data protection very seriously and a series of controls and monitoring is in place to ensure compliance, the impact of such a fine has been considered.

The Group has considered the cash headroom over the next five years, as well as the impact in customer confidence following a breach and is comfortable that such a fine would not jeopardise the viability of the Group.

Scenario 3 – Severe reduction in consumer demand caused by macro-economic factors or changing attitudes to flying due to environmental concerns

Link to risk 1 demand

There is a risk there is a prolonged impact to consumer demand as a result of the ongoing cost-of-living crisis in the UK and weakened pound. This could be caused by a number of factors including: affordability and changing attitudes to flying due to environmental concerns. This would inhibit the Group's ability to generate revenue and cash in this regard.

There is also a risk that environmental concerns may result in a reduction in consumer demand as consumers may choose to travel less frequently or certain destinations may become less desirable due to extreme weather events such as heat waves and resulting wildfires.

The Group has considered the impact to cash and revenues of operating in an environment where bookings decrease by 20% year on year. Whilst profitability would be impacted, the Group would continue to generate both profits and cash throughout this period.

Scenario 4 – Limitations on innovation, transformation and scalability

Link to risk 9 innovation, transformation and scalability

There is a risk that if the Group cannot keep up with growing demand or doesn't innovate to adapt to customers, this will impact the growth of the Group. The Group is continuously investing in technology along with focusing on recruiting and retaining talent to drive innovation and transformation.

The Group has considered the impact to cash and revenues if the Group is unable to cope with peak customer demand experienced in January resulting in capped bookings in combination with restricted growth in bookings year on year. Whilst profitability would be impacted, the Group would continue to generate both profits and cash throughout this period.

The above scenarios are designed to allow the Group to review the maximum impact that such situations could have, for instance the maximum fine or the failure of a major supplier, in order to consider situations which could threaten its viability should they arise. However, as described above, there are controls and monitoring processes in place to allow us to observe the likelihood of these scenarios occurring and also to ensure we are best prepared to mitigate the impact on the business.

The planning process has indicated that through a mix of the available reserves, the Group's banking facility and real world experience of dealing with similar situations in the past, that it would be capable of absorbing the potential impact on the business and remain a viable going concern.

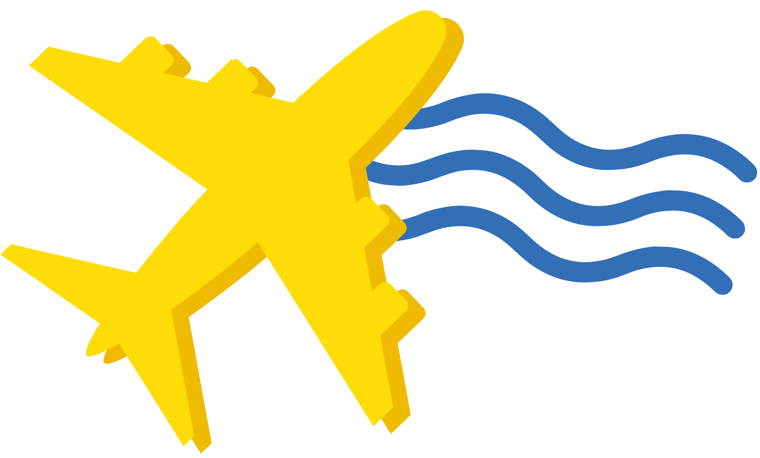
Viability statement

Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period ending 30 September 2029.

Going concern

The Group covers its daily working capital requirements by means of cash and Revolving Credit Facility ('RCF'). On 7 December 2023, the Group refinanced its credit facilities with Lloyds Bank and NatWest. This included cancelling its current facility of £50m and CLBILS facility of £25m and entering into a new facility for £60m expiring in December 2025. The facility agreement included the option for two one-year extensions, both of which have now been exercised. The revised expiry date is therefore December 2027. In January 2024, the facility was increased by £25m until July 2025. The RCF has financial covenants in place which are tested quarterly.

As at 30 September 2024 Group cash (excluding cash held in trust which is ringfenced and not factored into the going concern assessment) was £96.2m (30 September 2023: £75.8m).



Cash received from customers for bookings that have not yet travelled is held in a ring-fenced trust account and is not withdrawn until the customer returns from their holiday, or the booking is cancelled and refunded. All withdrawals from the Trust account are approved by our Trustees and the Civil Aviation Authority. Cash held in trust at 30 September 2024 was £139.5m (30 September 2023: £108.6m).

The Directors have assessed a going concern period through to 31 March 2026 and have modelled a number of scenarios considering factors such as airline resilience, cost of living, inflation, interest rates and customer behaviour/ demand. The Group has performed an assessment of the impact of climate risk, as part of the Director's assessment of the Group's ability to continue as a going concern. Detail of the Group's assessment of the impact of climate risk is provided within the 'Here for the planet' section of this report.

The Directors have modelled a reasonably possible downside scenario to sensitise the base case as a result of major airline failure (two airlines, modelled separately). In both of these scenarios the Directors have assessed the impact to cash and revenue in an environment where bookings are 100% lower than forecasted for three months followed by a 50% reduction for the remaining going concern period; although profitability would be affected, the Group would be able to continue operating.

In addition, the Directors have modelled sensitivity analysis on both average booking values and booking volumes separately, as well as a reverse stress test, though the outcome is considered to be remote. Although in each of these scenarios profitability would be affected, the Group would be able to continue operating with sufficient liquidity and headroom on covenants.

Given the assumptions above, the mitigating actions available and within the Group's control, the Directors remain confident that the Group continues to operate in an agile way adapting to any continued travel disruption. Therefore, it is considered appropriate to continue to adopt the going concern basis in preparing these financial statements.

Shaun Morton
Chief Executive Officer

2 December 2024


TAKING
GOOD CARE

GOVERNANCE REPORT

Contents

Chairman's introduction

I am pleased to present our Corporate Governance report for FY24.

This report outlines the governance structures and practices that support our decision-making and ensure we meet our responsibilities. This report also highlights the activities of the Board and its Committees over the past year, demonstrating how we have upheld our governance commitments.

Effective governance remains at the heart of our Group's success, providing the foundation for executing our strategy, achieving our purpose, and creating long-term value for all stakeholders. As Chairman, I remain focused on fostering a strong and effective Board, dedicated to maintaining the highest standards of governance in all our activities.

Succession planning for board changes in FY25

After nine years of dedicated service, David Kelly will step down from the Board on 10 January 2025. On behalf of the Board, I would like to thank David for his outstanding contributions and commitment during his tenure. The Nomination Committee has been overseeing a rigorous succession planning process for David's replacement. This process is at an advanced stage and we look forward to updating you on the new appointment in due course. More information about our succession process is in the Nomination Committee report on page 84.

"Robust governance provides the foundation for sustainable growth, guiding our strategy and delivering value for all stakeholders."

Richard Pennycook
Chairman of the Board of On the Beach Group plc

Compliance with the UK Corporate Governance Code

This year, we are again reporting against the UK Corporate Governance Code published in July 2018. I am pleased to report that the Board has maintained strong governance standards throughout the year. From 28 September 2024, the Company has not complied with Provision 11 of the Code, as David Kelly exceeded the nine-year limit for independence from that date. David will step down ahead of the 2025 AGM, and when we appoint a new independent Non-Executive Director to replace David, full compliance will be restored. Further details are provided on page 85.

Looking ahead, the 2024 version of the UK Corporate Governance Code will apply to the Company starting from 1 October 2025 ('FY26'), with the exception of Provision 29, which will apply to the Company from 1 October 2026 ('FY27'). The Board is already making the necessary preparations to ensure compliance with the updated Code, reinforcing our commitment to the highest standards of corporate governance.

Shareholder engagement

At our AGM in January 2024, we saw strong support from our shareholders, with over 90% approval on all resolutions and a 66.66% turnout. We value the ongoing engagement with our shareholders and remain focused on maintaining transparent and constructive dialogue.

Looking ahead, our next AGM is scheduled for 25 February 2025. We encourage shareholders to actively engage with us, both ahead of and during the AGM, to ensure we continue to address your priorities and deliver long-term value. Your feedback and insights are invaluable to the Board as we shape the future direction of the business.

Board effectiveness

This year, we conducted a comprehensive internal evaluation of the Board's performance, ensuring that both the Board and its Committees continue to operate effectively. The findings and the methodology used in the evaluation are detailed on pages 77 to 78.

Stakeholders

Ensuring ongoing engagement with our key stakeholders, including customers, employees, and partners, remained a priority for the Board. Our Section 172 Statement on page 79 outlines how stakeholder interests have been considered in our decision-making throughout the year.

Sustainability

Sustainability and ESG factors continue to be integral to our decision-making process, reflecting the growing importance of these areas to our stakeholders. For further details, please see pages 30 to 52.

Risk management

We have made significant progress in embedding our enhanced risk management system, which bolsters our existing processes and provides greater assurance as we pursue our strategic goals. This has enabled us to better navigate potential risks and uncertainties.

Conclusion

In conclusion, I believe the Board remains highly effective. Our governance framework continues to provide a robust platform for the Group's sustainable growth, benefitting all our stakeholders.

Richard Pennycook
Chairman of the Board of On the Beach Group plc

2 December 2024

Directors' biographies

Richard Pennycook, CBE
Chairman of the Board

Appointed to Board:
1 April 2019
Independent: Yes

Listed Company Appointments:
None

Experience and contribution:
Richard Pennycook joined On the Beach as Chairman of the Board on 1 April 2019. He brings extensive experience across both private and public companies, particularly in retail and consumer sectors. His governance expertise, honed through senior roles in fast-growing online businesses and established PLCs, makes him an invaluable asset to the Board.

Richard served as Non-Executive Chairman of Howden Joinery Group plc from 2016 to 2022 and as Non-Executive Chairman of The Hut Group ('THG') from 2012 to 2018, playing a key role in its growth as a major online technology company. Earlier, he held executive roles at leading public companies, including Wm Morrison Supermarkets plc and RAC plc, and was CEO of The Co-operative Group from 2013 to 2017.

With decades of PLC boardroom experience, Richard has a deep understanding of corporate governance, public company strategy, and stakeholder management. His strong track record in guiding companies through transformation provides critical insight and leadership to drive long-term, sustainable value creation.

N R D

Shaun Morton
Chief Executive Officer

Appointed to Board:
17 July 2020
Independent: No

Listed Company Appointments:
None

Experience and contribution:
Shaun Morton serves as Chief Executive Officer of On the Beach, transitioning from Director of Finance in February 2018 to CFO in July 2020, and finally to CEO in June 2023. He has been pivotal in steering the Group through COVID-19, implementing strategic initiatives that have enhanced the brand, advanced technology, and refined customer propositions, including capturing market share in premium long haul travel.

Shaun possesses expertise in financial planning, strategy, and risk management, underpinned by a comprehensive understanding of the Group's operations and the broader travel sector. Before joining On the Beach, he held senior finance roles at Deloitte, Asda, and ghd hair. He is a qualified Chartered Accountant, having trained with Deloitte LLP.

With a robust financial background and a proven track record, Shaun brings valuable insights into strategic growth and operational efficiency. His commitment to innovation positions him as a key leader in steering the Group toward sustainable success.

D

Jon Wormald
Chief Financial Officer

Appointed to Board:
30 June 2023
Independent: No

Listed Company Appointments:
None

Experience and contribution:
Jon joined On the Beach as Chief Financial Officer in June 2023, working closely with the Executive team to develop the strategic plan for FY24 and beyond. He came from THG PLC, where he served as Chief Financial Officer of THG Nutrition, the world's largest online sports nutrition brand, overseeing the financial performance of the division and its vertically integrated manufacturing businesses.

Prior to THG, Jon spent 11 years at the Co-operative Group Limited, holding senior roles across its M&A and Finance teams. He is a fellow of the Institute of Chartered Accountants of England and Wales, having qualified with PwC LLP.

With extensive experience in managing financial performance in fast-growing, high-volume businesses, Jon brings valuable financial expertise, strategic insight, and leadership. His contributions strengthen the Board's capacity to drive long-term financial sustainability and growth.

D

Simon Cooper
Founder and Non-Executive Director

Appointed to Board:
17 August 2015
Independent: No

Listed Company Appointments:
None

Experience and contribution:
Simon Cooper is the founder of On the Beach and transitioned to Non-Executive Director in June 2023 as part of the Group's CEO succession plan. His travel industry journey began in university when he founded the ski holiday company "On the Piste" in 1996.

With over 20 years in the travel sector, Simon has an in-depth understanding of the industry and On the Beach's operations. He played a pivotal role in the Company's IPO process in 2015 and its acquisitions of Sunshine and Classic Collection, as well as navigating challenges like the failures of Monarch and Thomas Cook and the COVID-19 pandemic. His leadership has been crucial for the Company's continued growth.

As a seasoned entrepreneur, Simon's strategic vision and business development expertise are invaluable to the Board. He remains actively involved in the business, supporting the Executive team with insights into market trends and customer needs, enhancing the Company's strategic direction.

David Kelly
Non-Executive Director

Appointed to Board:
28 August 2015
Independent: Yes (until 28 September 2024 when he became non-independent)

Listed Company Appointments:
None

Experience and contribution:
David joined On the Beach in 2015 as Non-Executive Director and Chair of the Remuneration Committee. David is a Product & Technology specialist and his experience spans a variety of complementary sectors, bringing online travel industry knowledge from positions at Lastminute.com, Holiday Extras and Love Home Swap, along with a broad ecommerce background having held senior roles at Amazon, eBay and Qliro. David has extensive experience as a Non-Executive Director of listed businesses, having served previously on the Boards of Reach PLC and The Gym Group plc.

David has in-depth knowledge of the business, being the Group's longest serving Non-Executive Director, and having previously served the Company in the roles of Senior Independent Director, Chair of the Remuneration Committee and designated Non-Executive Director for employee engagement.

David will step down from the Board on 10 January 2025.

N

Elaine O'Donnell
Senior Independent Director

Appointed to Board:
3 July 2018
Independent: Yes

Listed Company Appointments:
SThree plc and The Gym Group plc (in each case, NED and Chair of the Audit and Risk Committee)

Experience and contribution:
Elaine O'Donnell brings a wealth of experience to the Board as a Senior Independent Director and Chair of the Audit Committee. She has extensive expertise as a Non-Executive Director and Chair across Audit, Risk, Nomination, and Remuneration Committees.

A Chartered Accountant, Elaine combines her financial acumen with significant experience in the online retail sector and regulated industries. Her extensive PLC experience is underscored by her previous role at Games Workshop Group plc, where she served as NED, Senior Independent Director, and Chair.

Before her board roles, Elaine was a partner at EY LLP, specialising in corporate finance and mergers and acquisitions, providing her with a robust foundation in financial oversight and strategic governance.

Elaine's strong financial background and experience is invaluable to the Board's oversight of financial reporting and risk management. Her insights into the online retail industry and regulatory frameworks enhance the Company's strategic direction, ensuring that it remains compliant and transparent in its operations.

A N R

Committee memberships:

A Audit
N Nomination
Committee Chair
R Remuneration
D Disclosure

Appointed to Board:
4 March 2021
Independent: Yes

Listed Company Appointments:
None

Experience and contribution:
Justine was a Member of Parliament for Putney, Roehampton and Southfields from 2005–2019 and spent eight years as a Minister, including six in Cabinet. After leaving government in 2018, Justine founded the Social Mobility Pledge campaign to drive grass roots change through business and higher education.

Prior to Justine's political career, she trained and qualified as a Chartered Accountant with PriceWaterhouse in the UK and Switzerland, before taking a finance role at SmithKline Beecham followed by a strategy role at GlaxoSmithKline. Justine completed an MBA at the London Business School in 2000 and joined AA/Centrica as head of sales and marketing finance for three years before becoming a Member of Parliament in 2005.

Justine brings a unique combination of public policy expertise, financial acumen, and a strong commitment to diversity and social mobility. Her leadership experience in both government and business enables her to provide valuable strategic insights, particularly in governance, corporate responsibility, and diversity initiatives, which enhances the Board's approach to long-term value creation and inclusive growth.

A N R

Appointed to Board:
1 September 2023
Independent: Yes

Listed Company Appointments:
None

Experience and contribution:
Veronica Sharma joined On the Beach as a Non-Executive Director in September 2023, bringing expertise in people and organisational development within leading technology organisations. She also serves as the Designated Non-Executive Director for Employee Engagement, reflecting her commitment to a people-first culture.

Currently an Operating Advisor at Warburg Pincus, a global private equity firm, Veronica advises portfolio companies on leadership, talent management, and organisational effectiveness. She is also an executive coach, helping senior leaders unlock potential and drive sustainable success.

Previously, as Group Chief People Officer at Cazoo, she led the people strategy during its rapid expansion into five European markets.

Her leadership roles at Photobox, Moonpig, eBay honed her expertise in talent management, organisational culture, and business transformation. Veronica's proven track record in cultural change and growth-focused strategies makes her a valuable asset in shaping On the Beach's future direction.

A N R

Appointed to Board:
14 October 2022
Independent: No

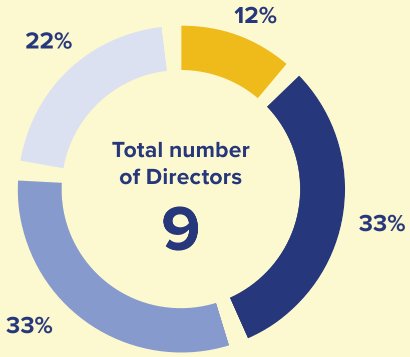
Listed Company Appointments:
None

Experience and contribution:
Zoe Harris joined On the Beach as Chief Marketing Officer in January 2021 and has been instrumental in shaping the Group's marketing strategy and enhancing customer experience. She has led key initiatives, including providing free PCR COVID-19 tests during travel restrictions and introducing perks like free fast-track airport security and complimentary airport lounge access for 4* and 5* customers.

Before joining On the Beach, Zoe served at GoCo Group as Chief Marketing Officer for GoCompare and later CEO of Look After My Bills. Her career began at Reach PLC, where she was Group Marketing Director, successfully refreshing brand propositions and transforming marketing activities. Zoe's diverse background includes roles at notable organisations such as WCRS, Channel 5, MTV, and NBC, providing a solid foundation in marketing and brand management.

With her extensive experience in marketing and customer engagement, Zoe plays a critical role in driving the Company's strategic initiatives and enhancing the brand. Her innovative approach and deep understanding of consumer behaviour empower her to champion the customer voice, ensuring that On the Beach remains competitive in the evolving travel market and fostering strong customer loyalty and satisfaction.

Board composition as of 30 September 2024



- Independent Non-Executive Chairman
- Executive Directors
- Independent Non-Executive Directors
- Non-independent Non-Executive Directors

On 28 September 2024, David Kelly became non-independent due to his 9-year tenure. David will be stepping down ahead of the AGM in February 2025 and the Nomination Committee is in the advanced stages of a search for a new independent Non-Executive Director to replace David and expects to announce a new appointment soon. When those changes have been made, 50% of the Board (excluding the chair) will be comprised of independent Non-Executive Directors and the company's compliance with Provision 11 of the Code will be restored.

Tenure in years

Simon Cooper	20
David Kelly	9
Elaine O'Donnell	6
Richard Pennycook	5
Shaun Morton	4
Justine Greening	3
Zoe Harris	2
Veronica Sharma	1
Jon Wormald	1

A Audit
N Nomination
Committee Chair
R Remuneration
D Disclosure

YOU CAN HAVE IT ALL

Corporate Governance statement

Compliance with the UK Corporate Governance Code

The principles of the 2018 UK Corporate Governance Code (the 'Code') highlight the role of good governance in the long-term success of listed companies. The Board is responsible for establishing frameworks to ensure compliance with the Code's requirements.

This Corporate Governance section of the Annual Report outlines our application of the main principles and compliance with relevant provisions. A copy of the Code can be accessed on the Financial Reporting Council's website at www.frc.org.uk.

During FY24, the Company complied with all relevant principles and provisions, except for provision 11, which states that at least half the Board, excluding the Chair, should be independent Non-Executive Directors. Since 28 September 2024, following David Kelly's ninth anniversary of appointment (based on the date of Admission to the London Stock Exchange), we have been non-compliant. Since then, the Board comprises the Chair, three Executive Directors, three independent Non-Executive Directors, and two non-independent Non-Executive Directors. A search for an independent successor is at an advanced stage. David will step down on 10 January 2025 and will not seek re-election at the 2025 AGM. Following this and the new appointment, compliance will be restored with Provision 11.

Looking ahead, we are preparing for the 2024 Corporate Governance Code, effective 1 October 2025, and are committed to meeting its provisions, particularly provision 29, which will apply from 1 October 2026.

The table below sets out where you can find further information on our compliance with the Code:

Code Section	Contents	Pages
Board Leadership and Purpose	• Chair's statement • Board of Directors • Governance structure • Board leadership and purpose • Designated Non-Executive Director for employee engagement • Shareholder engagement	64 to 69, 71, 73 to 74, 76, 79 to 83
Division of Responsibilities	• Board and Committee meetings • Governance structure • Division of responsibilities • Board composition • Appointments to the Board and succession planning	69, 71, 75, 77
Composition, Succession and Evaluation	• Board composition • Board diversity, tenure and experience • Board, Committee and Director performance evaluation • Nomination Committee report	69, 77 to 78, 84 to 87
Audit, Risk and Internal Control	• Audit Committee report • Strategic report – Risk Management • Fair, balanced and understandable Annual Report • Viability Statement	54, 59 to 61, 88 to 92
Remuneration	• Letter from the Chair of Remuneration Committee and Q&A • Remuneration for FY23 • Summary of Remuneration Policy and Implementation for FY24 • Annual Report on remuneration	94 to 113

Governance structure

The Board has established an effective governance framework, as outlined below:

Board

Chaired by Richard Pennycook

The Board promotes the long-term sustainable success of the Company by setting a clear purpose and strategy that creates value for shareholders while considering the interests of wider stakeholders. It holds overall authority for managing the Group's business and ensuring a robust system of internal control and risk management. The Board reserves specific matters for its decision, and the full schedule of these matters is available in the Corporate Governance section of the Company's website.

Audit Committee

Chaired by Elaine O'Donnell

The Audit Committee reviews and reports to the Board on the Group's financial reporting, internal controls, risk management systems, whistleblowing, internal audit, and the effectiveness of the statutory auditor.

Read the Audit Committee report on pages 88 to 92.

Remuneration Committee

Chaired by Justine Greening

This Committee is responsible for the remuneration of Executive Directors, the Chair, and senior management, and it reviews workforce remuneration to align incentives with corporate culture.

Read the Remuneration Committee report on pages 94 to 113.

Nomination Committee

Chaired by Richard Pennycook

The Nomination Committee assesses the Board's structure, size, and composition, as well as succession planning, making appropriate recommendations to the Board.

Read the Nomination Committee report on pages 84 to 87.

CEO and Executive team

The Board delegates day-to-day operations to the CEO, who manages all commercial, operational, risk, and financial elements, developing strategic direction for Board approval. The Executive team supports the CEO in implementing Board-approved strategies and is regularly invited to present at Board meetings on relevant matters.

Additionally, the Board has established a Disclosure Committee to oversee compliance with the Market Abuse Regulation and determine when to disclose information to the market. Each Committee has terms of reference available in the Governance section of the Company's website (www.onthebeachgroup.co.uk).

Board activity in FY24

Details of the main areas of focus for the Board and its Committees during the year are summarised below:

Topic	Key activity
Strategic matters	• Regularly reviewed performance against the Group's strategy • Received presentations from management in relation to business strategy and performance • Considered and approved the transformational partnership with Ryanair • Reviewed strategic opportunities and the refreshed strategy • Received regular customer updates with key customer metrics • Continued to have oversight of the Group's ESG strategy • Reviewed capital allocation & dividend policy
Business performance	• Received regular updates from Chief Executive Officer and Chief Financial Officer • Reviewed the Group's debt, capital and funding arrangements • Approved the annual budget and business plan • Approved the full year results, half year results and the Annual Report • Monitored the Group's financial performance and financial results • Received updates on technology-related developments
Risk management and internal controls	• Regularly reviewed the implementation of the Group's risk management framework • Reviewed principal risks and uncertainties and emerging risks • Reviewed and confirmed the Group's viability statement and going concern status • Reviewed effectiveness of the Group's systems of internal controls and risk management • Continued to monitor the security and performance of the Company's IT systems and infrastructure
Governance and legal	• Received and reviewed regular reports in relation to material legal matters • Received and reviewed updates on regulatory and governance developments • Reviewed and updated the terms of reference of the Board Committees • Received annual refresher training on continuing obligations as a listed business and directors' duties • Discussed specific issues raised by shareholders and other stakeholders • Approved the Company's insurance programme
People, culture and Board effectiveness	• Discussed the results of employee-wide engagement surveys • Received regular updates from the People team • Received regular updates on the Group's People Strategy including Diversity and Inclusion • Received updates from Veronica Sharma, the designated Non-Executive Director for workforce engagement • Considered succession planning for the Board and Executive team • Undertook an evaluation of the Board's effectiveness, the effectiveness of each committee and individual Directors

Board leadership and Company purpose

Role of the Board

The Board is responsible for defining the Company's purpose, values, and strategy to ensure long-term sustainable success and generate shareholder value while contributing positively to society. It recognises its accountability to stakeholders and the importance of fostering the right culture and behaviours within the Group.

Our governance structure, detailed on page 71, clarifies lines of accountability. The Board delegates certain responsibilities to its committees for effective oversight. Key discussions from this year are summarised on page 72. While day-to-day operations are managed by the Executive Directors, the Board retains specific matters for its own decision-making. The full schedule of reserved matters is available on the Company's website.

Sustainability of business model

The Group's business model, outlined on pages 12 to 13, is closely monitored by the Board to ensure its sustainability and to support the Executive team in identifying opportunities and risks. This is achieved through:

- regular reports and discussions with the Executive team and senior management on business issues and industry trends;
- engagement with key stakeholders (see pages 79 to 83);
- Evaluation of strategic opportunities that align with the business model;
- maintaining a robust risk oversight system, including the review of principal risks and emerging uncertainties (pages 54 to 58); and
- in assessing the Group's future prospects for the viability statement (see pages 59 to 61), the Board considers key factors influencing the Group's development and performance.

Our purpose, values, and culture

Purpose – Why We Do What We Do

Our purpose is to challenge the status quo in the holiday sector to better meet the needs of tomorrow's holidaymaker. This purpose drives every business decision and aligns our team's focus on achieving it.

Values – Underpin Who We Are

We take pride in our core values:

We set ambitious goals, seek new adventures, and make confident choices that distinguish us.

Bold

Like your favourite beach, we are warm, welcoming, and inclusive. Our teamwork fosters a shared sense of purpose.

Open

Travel is our passion, and we are always learning and adapting. Our energy drives innovation and agility.

Dynamic

MORE JOLLY LESS LOLLY

These values are integral to our business, shaping a culture that supports our vision.

Culture – How We Work Together

Culture defines our operational norms and influences behaviour. Linking purpose, strategy, values, and culture is vital for achieving long-term sustainability.

Leadership establishes culture, supported by clear policies to ensure obligations to shareholders and stakeholders are met. The Board assesses cultural alignment with the Group's purpose and values through various indicators:

- **Hive Surveys:** We review employee feedback to gauge engagement and cultural health.
- **Compliance:** Robust policies on anti-bribery, anti-corruption, and whistleblowing are overseen by the Audit Committee, with independent monitoring for whistleblowing.
- **Employee Policies:** Regular updates from the CEO and Chief People Officer provide insights into recruitment, retention, and cultural embedding. Fair policies ensure respect for employee rights, complemented by health and wellbeing initiatives.
- **Risk Management:** The Board assesses management's risk attitudes through direct engagement and updates from the Executive Risk Committee.
- **Customer Report:** Monthly reports on key customer metrics offer insights into our Company culture.

Our whistleblowing policy encourages employees to raise concerns about improper behaviour without fear of retaliation. We provide a confidential whistleblowing service, with regular reports to the Audit Committee on its usage.

For further information on our culture and workforce investment, see the "Here for our People" section on pages 32 to 39.

Stakeholder engagement

The Board seeks to understand the views of our stakeholders and engages with them in various ways to ensure that stakeholder interests are considered during discussions and decision-making. The section 172 report and stakeholder engagement section on pages 79 to 83 detail how the Board engages with and encourages participation from stakeholders and the impact of this engagement on decisions made during the year. The 'Here for our people' section on pages 32 to 39 also outlines how we actively engage with our workforce, providing further insights into our culture and commitment to our employees.

Shareholder engagement

The Company is committed to engaging and maintaining an active dialogue with all its shareholders. Our primary engagement methods include:

- **Investor meetings and presentations –** The Company has implemented an investor relations programme facilitating dialogue and meetings between Executive Directors and institutional investors, fund managers, and analysts. These meetings cover a range of relevant issues, including strategy, performance, management, and governance, within the bounds of publicly available information.
- **Annual General Meeting ('AGM') –** The AGM provides stakeholders an opportunity to hear from the Board and ask any questions they may have.
- **Senior Independent Director –** Our Senior Independent Director, Elaine O'Donnell, is available to shareholders who have concerns where contact through the usual channels (namely CEO, CFO, or Chairman) is inappropriate.
- **Reports and presentations –** All shareholders can access announcements, investor presentations, and the Annual Report on the Company's corporate website (www.onthebeachgroupplc.com).

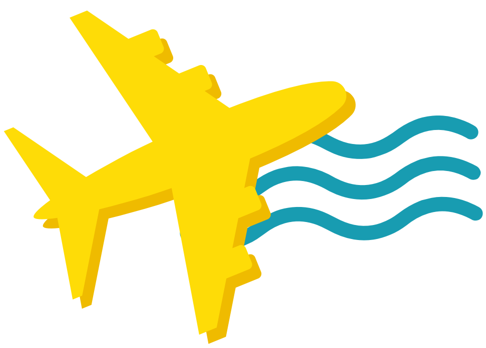
The Board is aware that institutional shareholders may engage more frequently with the Company than other shareholders, but care is taken to ensure that any price-sensitive information is released to all shareholders simultaneously, in accordance with legal requirements.

Directors' conflicts of interests

Directors have a statutory duty to avoid situations where they have, or may have, interests that conflict with those of the Company unless that conflict is first authorised by the Board. This includes potential conflicts arising when a Director takes up a position with another Company. The Company's Articles of Association empower the Board to authorise potential conflicts of interest and impose limits or conditions as appropriate.

Any decision by the Board to authorise a conflict is only effective if it is agreed without the conflicted Director(s) voting or having their vote(s) counted. In making such a decision, the Directors must act in good faith and in a manner they believe will promote the success of the Company.

The Company maintains a register of related parties and a register of Directors' interests, which the Board reviews regularly.



Board and Committee meetings

The Board held 12 scheduled meetings during the year, addressing all routine and strategic matters, structured through clear agenda setting, written reports, and presentations from both internal staff and external advisers. In addition to scheduled meetings, there were a number of ad hoc Board calls during the year.

Director	Scheduled Board meetings	Audit Committee	Remuneration Committee	Nomination Committee
Richard Pennycook	12/12	–	3/3	6/6
Simon Cooper	11/12	–	–	–
Shaun Morton	12/12	–	–	–
Zoe Harris	12/12	–	–	–
Jon Wormald	12/12	–	–	–
David Kelly	12/12	3/3	3/3	6/6
Elaine O'Donnell	12/12	3/3	3/3	6/6
Justine Greening	12/12	3/3	3/3	6/6
Veronica Sharma	12/12	3/3	3/3	6/6

Information and support

All Directors have access to the Company Secretary, who advises on governance matters. Directors receive and access Board papers via an electronic portal. The Chairman and Company Secretary collaborate to ensure that these papers are clear, accurate, and of sufficient quality to enable the Board to fulfil its duties. Specific business-related presentations are provided by senior management as needed, and Directors can access the Company's professional advisers when necessary.

Division of responsibilities

Clear division of roles and responsibilities

The roles of Chairman and Chief Executive Officer are held by different individuals, with their responsibilities clearly defined and formalised in writing, as approved by the Board.

Chairman

Richard Pennycook, as Chairman, is responsible for:

- leading the Board and setting its agenda, ensuring adequate time for strategic discussions;
- providing all Directors with accurate and timely information on financial and corporate matters;
- facilitating effective contributions from Non-Executive Directors;
- ensuring constructive relations between Executive and Non-Executive Directors; and
- communicating effectively with shareholders; and
- Evaluating the performance of individual Directors, the Board, and its Committees annually.

Chief Executive Officer

Shaun Morton, as CEO, manages the business, including:

- overseeing Group operations;
- developing objectives and strategy with regard to stakeholders;
- implementing approved strategies and objectives;
- ensuring compliance with legislation and Group policies;
- communicating with shareholders; and
- setting HR policies, including management development and succession planning.

Chief Financial Officer

Jon Wormald, as CFO, is responsible for:

- supporting the CEO in strategy development and implementation;
- managing the Group's financial affairs;
- establishing financial processes and internal controls; and
- representing the Group to external stakeholders.

Senior Independent Director

Elaine O'Donnell, as Senior Independent Director, is responsible for:

- acting as a sounding board for the Chairman;
- serving as an intermediary for Directors as needed; and
- engaging with shareholders to understand their issues and concerns.

Non-Executive Directors

In addition to the Chairman, the Company has three independent Non-Executive Directors who contribute impartiality and experience to the Board. They challenge and help develop strategy and succession planning. Simon Cooper, as Founder Non-Executive Director, brings unique knowledge of the Company and travel industry. Following Board meetings, the Chairman and Non-Executive Directors meet without Executive Directors to evaluate their performance. Similarly, Non-Executive Directors assess the Chairman's performance. These evaluations are vital for assessing Board effectiveness.

If Directors have unresolved concerns about the Company or proposed actions, these are documented by the Company Secretary. No such concerns arose during the financial year.

Designated Non-Executive Director for Employee Engagement

Veronica Sharma serves as the Designated Non-Executive Director ('Designated NED') for Employee Engagement. Her responsibilities include:

- ensuring effective methods for ongoing employee engagement;
- representing employee views in Board decision-making;
- evaluating the impact of business proposals on employees;
- establishing feedback mechanisms to share Board responses with employees; and
- tracking the role's achievements in supporting employee engagement.

The Designated NED will review employee engagement surveys quarterly, assess key metrics, and lead Board discussions on employee engagement. She will participate in employee forums and manager engagement meetings.

Company Secretary

The Company Secretary acts as secretary to the Board and its Committees, with her appointment and removal determined by the Board. She is a member of the Executive team, and all Directors can access her advice. In certain situations, Board Committees and Directors may seek independent professional advice, and the Company will cover reasonable costs incurred.

Time commitments of Non-Executive Directors

All Directors are expected to dedicate sufficient time to fulfil their responsibilities. Non-Executive Directors are informed upon appointment of the time required for the role and must confirm their ability to commit. Each Director's commitment is reviewed annually, and any external appointments or significant commitments require prior Board approval. The Board considers the time demands of each Non-Executive Director, whether as a Board member, Committee Chair, or Committee member, when granting permission.

The Board and Nomination Committee believe none of the Non-Executive Directors have excessive commitments that would prevent them from adequately dedicating time to the Company's activities. Details of their other directorships in listed companies can be found in their biographies on pages 66 to 68. None hold directorships in FTSE 100 companies.

Composition, succession, and evaluation

The Nomination Committee aids the Board in the appointment process for Board members and senior management, ensuring alignment with the Company's succession plans. Further information on the Nomination Committee's work is available on pages 84 to 87.

Board composition

During the year, the Board reviewed the overall balance of skills, experience, independence, and knowledge of its members. Further details of this review, including actions taken, are set out in the Nomination Committee report on pages 84 to 87.

In accordance with provision 11 of the Code, at least 50% of the Board, excluding the Chairman, should be independent Non-Executive Directors. The current Board comprises nine members: the Non-Executive Chairman, three Executive Directors, three independent Non-Executive Directors, and two non-independent Non-Executive Directors. David Kelly became non-independent on 28 September 2024 when his tenure reached nine years. David will step down from the Board ahead of the next AGM and there is a search ongoing for his replacement. After these changes, compliance with provision 11 will be restored. The profiles of each Board member, detailing their skills and expertise, are available on pages 66 to 68.

The Board regularly reviews the independence of its Non-Executive Directors as part of the annual evaluation process, and the Nomination Committee considers this on an ongoing basis. With the exception of the Founder Director NED (and David Kelly with effect from 28 September 2024 as noted above), the Board has determined that all Non-Executive Directors serving during the year were independent. Richard Pennycook, upon appointment as Chairman, met the independence criteria outlined in the Code.

The Board is confident that each independent Non-Executive Director has maintained their independence of character and judgement, without forming associations that might compromise their ability to act in the best interests of the Group.

Appointments to the Board

The Nomination Committee, chaired by the Chairman of the Board and comprising all Non-Executive Directors, leads the appointment process based on merit against objective criteria, making recommendations to the Board. The Board can appoint individuals to fill vacancies or as additions to the existing Board. Any Director appointed holds office until the next AGM, at which point they are eligible for election by shareholders. Non-Executive Directors are typically expected to serve two three-year terms, with any extension beyond six years subject to rigorous review to ensure progressive refreshment.

As part of this process, the Board is searching for a new independent Non-Executive Director to succeed David Kelly, who will step down on 10 January 2025 and will not seek re-election at the 2025 AGM. Further details regarding this can be found in the Nomination Committee report on pages 84 to 87.

Development of Directors

The Company has an induction programme for all new Directors joining the Board. Each induction is tailored to the relevant Director's experience and background, enhancing their understanding of the Group's strategy, business, operating divisions, employees, customers, suppliers and advisers, and the role of the Board in setting the tone of our culture and governance standards.

All Directors are kept informed of changes in relevant legislation and regulations, as well as evolving financial and commercial risks. The Chairman continually reviews the training needs of Directors according to their individual requirements, with this review forming part of the annual appraisal process.

The Company Secretary arranges training sessions to support the learning and development of Directors or to provide context for Board discussions (eg, on the economy or consumer attitudes/competitive landscape). Directors spend time with various leaders within the business to further develop their knowledge, providing support, guidance, and challenge. They also attend development days throughout the year, where updates on developments and training in specific areas are provided to deepen their understanding of the business.

Board evaluation

The Board is committed to the evaluation and appraisal of the performance of the Board, its Committees, and individual Directors, including the Chairman. During the year, an internal evaluation was conducted to review the composition, experience, and skills of the Board to ensure that it and its Committees continue to work effectively and that Directors are demonstrating a commitment to their roles.

As part of the internal evaluation process, questionnaires were completed by each Board member to assess performance against the Code. The questionnaire covered leadership, effectiveness, accountability, shareholder relations, meetings, and administration. The Board approved these questionnaires, which were completed electronically. Results were analysed, and the Company Secretary prepared a report for the Chairman, discussed at a Nomination Committee meeting.

As part of the evaluation process, feedback was sought from all Directors on the top three strategic issues facing the Company over the next 3–5 years, and Directors were asked to give examples of best governance practice from other Boards that they believe would benefit the Company.

The evaluation established that the Board and its Committees were operating effectively and efficiently, with good leadership and accountability. The Board dynamic continues to work well, reflecting the dedication and commitment of each member, along with the appropriate level of support and challenge from Non-Executive Directors.

The key actions from the FY24 Board/Committee evaluation, are set out below.

During the year, the Senior Independent Director evaluated the performance of the Chairman, who in turn evaluated the performance of each Director.

Following these evaluations, the Directors concluded that the Board and its Committees operate effectively, with each Director continuing to contribute and demonstrate commitment to their role.

Actions from FY24 Board evaluation

Area of focus	Action
Investment Appraisals	The Board considered investment decisions were based on evidence and taken at the right time. The evaluation concluded it would be beneficial to take a more formal approach to investment appraisals and this will be a focus for FY25.
Strategy & Stakeholders	One Board meeting each quarter will be dedicated to strategy. The Board will develop a process to ensure the correct level of oversight on the development of strategy into action, with regular review of key strategic KPIs for the Board. The Board will engage stakeholders through this process.
Board Papers	Papers were considered to be of high quality and the meetings effectively chaired, promoting effective decision-making. The evaluation concluded that the Board would benefit from earlier distribution of the papers to facilitate a thorough consideration of the matters to be discussed.
Director Development	Directors' learning and development needs are always under review. In FY25, given the opportunities and risks presented by artificial intelligence, there are plans to incorporate this within the Board calendar, alongside usual sessions on Directors' duties, legal obligations, horizon scanning and topical sessions.
Succession Planning	The Nomination Committee will consider succession planning more widely during FY25 including reviewing plans for senior leaders below Executive level, to ensure a strong and diverse pipeline of talent.
NED meetings	More NED meetings will be put in place to allow the NEDs to identify key issues and formulate appropriate challenge.

Stakeholder engagement

Section 172(1) statement

The Directors believe they have acted at all times to promote the success of the Company for the benefit of its members as a whole. In doing so, the Board has considered the interests of a range of stakeholders impacted by the business, as well as having regard for the matters set out in s.172(1) of the Companies Act 2006, namely:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

More information about our key stakeholders, how we engage with them and how Directors have regard for stakeholder matters when making decisions is set out in the tables below.

An example of how the Directors have had regard to s.172(1) in carrying out their duties in making key decisions during the year is set out on page 83.

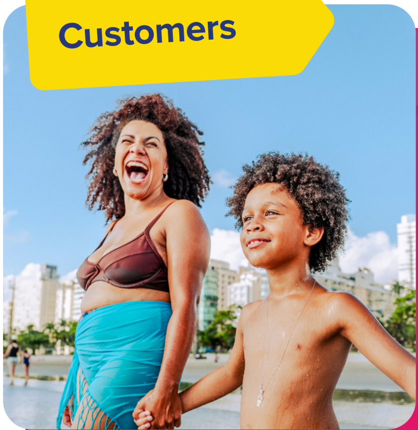
Other broader factors considered by the Board, including the impact of the Company's operations on the community and environment, desirability to carry out business responsibly and ethically and acting in the interests of employees are covered in the Sustainability report. For more information, see pages 30 to 52.

How we engage with stakeholders

Stakeholders

We seek to achieve our strategic objectives by taking into account the needs of our stakeholders and the impact our business may have on them. The Board is aware that its decisions may impact on one or more groups of stakeholders and that their needs may differ in some circumstances. Effective engagement ensures that stakeholder interests are considered in Board discussions and decisions.

Customers



We know that holidays are the best bit of our customers' year, and we pride ourselves on doing everything we can to give them the holiday they dreamed of and more, and our perks are just one way we look to give them an even jollier jolly. Their satisfaction drives advocacy, loyalty and repeat bookings.

What matters to them:

- Excellent customer service and swift resolution of issues and queries.
- Peace of mind through ATOL and package protection.
- Value, choice, and flexibility.
- Perks and flexible payment options.
- User-friendly website, with accurate information on the holidays they are booking.
- Health and safety during holidays.

How we engage:

- Customer feedback: Surveys, focus groups, resort visits, user testing, social media interactions and feedback such as Trustpilot.
- Social media interactions.
- Feedback from third-party travel agents.
- Data analysis from customer help tools, including chatbots and onsite analytical tools.
- Dedicated customer service team and 24/7 in-resort line.

Highlights:

- Introduced live chat functionality, enhanced IVR and chatbots to help customers more quickly.
- Invested in an app for easier holiday management.
- Simplified customer T&Cs for clarity, brevity and brand consistency, tested with VIBs (existing customers) pre-launch.
- Introduced cross function monthly customer forum, reviewing the end to end customer experience so we can identify and resolve any issues.

Board engagement:

- Regular customer experience reports presented at Board meetings.
- Executive bonuses linked to Net Promoter Score to align leadership with customer satisfaction.

People

Our people are crucial to achieving our strategic objectives. Engaged employees drive business growth by being happier, motivated, and invested in our goals.

What matters to them:

- Career development, progression, competitive remuneration, recognition, diversity and inclusion, company culture, and being heard. Wellbeing and working for a company that gives back are also key priorities.

How we engage:

- **Beach Life:** Company-wide meetings with key updates and Q&A with executives.
- **Pier Group:** Regular forums where employee voice leaders meet with leadership.
- **Surveys:** Annual Hive survey and pulse checks to measure engagement and sentiment.
- **Ongoing communication:** Regular email updates, Slack, wellbeing, and diversity forums.
- **Colleague recognition:** Performance reviews and rewards.

Highlights in FY24:

- Introduced enhanced benefits, including holiday purchase, pension increases, and family-friendly policies.
- Focus on wellbeing with mental health support, including 24/7 employee assistance and wellbeing forums.
- Employee feedback continues to drive improvements, impacting both work and life.

Board engagement:

- The People function regularly reports to the Board including updates on the activities of employee forums and engagement surveys, ensuring employee sentiment is communicated to the Board.
- The designated Non-Executive Director for employee engagement, Veronica Sharma, ensures that employee views are integrated into Board decisions, including on remuneration matters.

Shareholders

Our shareholders provide the capital essential for investing in and growing the business.

What matters to them:

- Long-term growth, successful strategy execution, operational/financial performance, risk management, talent succession, capital allocation, executive remuneration, and ESG/sustainability.

How we engage:

- Investor roadshows, trading updates (including interim and preliminary results), Annual Report and Accounts, website updates, dialogue with shareholders/proxy bodies, analyst engagement, and the AGM.

Highlights in FY24:

- The Chairman and Remuneration Committee Chair actively engaged with shareholders. 66.66% of voting rights were cast at the 2024 AGM, with over 90% in favour of key resolutions.

Board engagement:

- Directors engage regularly via roadshows, AGMs, and specific meetings. The Chief Executive provides regular updates, and Non-Executive Directors are available at the AGM. Investor feedback is shared with the Board after roadshows.

Suppliers and Partners

Strong relationships with suppliers and partners are essential for operational and commercial success, enabling us to offer a diverse range of quality travel products, at a competitive price. We rely on them to meet customer needs and ensure reliable service delivery.

What matters to them:

- Fair payment terms, collaboration, fair treatment, timely communication, the ability to fill capacity, sustainable partnerships, and support for innovation in travel products and services.

How we engage:

- Regular meetings, calls, visits and feedback. Conferences and events to maintain partnerships. Audits via our customer health and safety management system.

Highlights in FY24:

- Signed a transformational partnership with Ryanair during the year (see pages 10 to 11).
- Developed our partnership with Sun Express, to provide our customers with more choice and value for Turkey holidays.
- Managed disruptions (wildfires, floods, air traffic control failures) with regular communication to minimise impacts.

Board engagement:

- The Board receives updates from the supply and commercial function regularly and on customer health and safety. It monitors business continuity risks and annually reviews the Modern Slavery Act Statement.

Communities and Society

We care about the communities we operate in. Our commitment is to contribute positively to society through responsible business practices.

What matters to them:

- Ethical management, partnerships that create positive societal impacts, environmental sustainability, and opportunities for future employment and social mobility.

How we engage:

- Forming partnerships with local charities and schools to break down barriers and support social inclusion.
- Providing opportunities for employees to engage with and support local communities.
- Developing and implementing our ESG strategy, which shapes our stakeholder engagement priorities.

Highlights in FY24:

- Established an Employee Voice forum to drive our community and charity initiatives, encouraging employees to fundraise for meaningful causes.
- Partnered with DKMS, our charity of the year, to support blood cancer awareness and research in memory of a former colleague.
- Collaborated with a local college to promote social inclusion and support student development.

Board engagement:

- Progressed our ESG strategy with Board oversight, considering stakeholder feedback. Shaun Morton is the Board member responsible for climate change and ESG. See pages 30 to 52 for our Sustainability report.

Government and Regulators

Government policy and regulatory frameworks impact our business, industry, and consumers. Key Government departments include the Department for Transport ('DfT') and the Department for Business and Trade ('DBT').

Key regulators include:

- **Civil Aviation Authority ('CAA'):** Oversees the ATOL scheme for consumer protection.
- **Competition and Markets Authority ('CMA'):** Ensures fair competition and consumer protection.
- **Financial Conduct Authority ('FCA'):** Regulates travel insurance offered on our site and oversees the Listing Rules and other continuing obligations of public companies.
- **Information Commissioner's Office ('ICO'):** Enforces data protection laws.
- **Advertising Standards Authority ('ASA'):** Regulates advertising practices.
- **Financial Reporting Council ('FRC'):** Oversees corporate governance and financial reporting standards.

What matters to them:

- Legal compliance, fair treatment of customers and stakeholders, taxpayer interests, a fair and competitive market, responsible business practices and open dialogue to understand industry dynamics and challenges.

How we engage:

- Engagement led by the General Counsel, with participation from the CEO, CFO, and other executives.
- Direct and proactive communication and collaboration with key government departments and regulators.
- Involvement in industry groups like Online Travel UK ('OTUK') for collective advocacy.
- Active participation in policy development, responding to consultations on industry reforms.

Highlights in FY24:

- Published a white paper advocating for fair competition in the travel sector.
- Engaged with government and regulators on important issues affecting the industry, and responded to consultations and calls for evidence including on ATOL reform and Package Travel Regulations reform.

Board engagement:

- The Board reviews our engagement strategy and receives updates from the General Counsel. Regulatory considerations inform strategic planning and risk management.

Board decision-making in practice

Organisational Design Review: Supporting Strategy with an Effective Structure

During the year, the Board oversaw a comprehensive Organisational Design ('OD') review, conducted in parallel with our strategic planning. This process aimed to ensure that our structure aligns with and supports our long-term goals, particularly in areas of growth, scalability, and operational resilience. Given the potential impacts of this review, the Board took into careful account its duty under section 172 of the Companies Act 2006 to promote the success of the Company, while considering the interests of various stakeholder groups.

Stakeholders and Section 172 Factors Considered

Several key stakeholder groups were impacted by this work, including our employees, customers, and investors. For our employees, the OD review involved changes that required sensitivity, clear communication, and support mechanisms to manage the transition effectively. The Board prioritised employee welfare by working closely with management to implement fair processes, maintain transparency, and provide support for affected individuals.

For our customers, the OD review was an opportunity to enhance operational efficiency and service quality. By aligning our structure with our strategic goals, we aim to strengthen the customer experience, ensuring that we remain agile and responsive to evolving needs. This consideration was essential in balancing short-term disruption with long-term benefits.

Investors were another priority group for the Board, who ensured that the changes aligned with our growth strategy and would drive sustainable value.

Balancing Stakeholder Interests in Board Decision-Making

Throughout the process, the Board was mindful of balancing these stakeholder interests. For employees, the Board recognised the need for empathy and support, working to minimise disruption and actively engaging with employee feedback. For customers and investors, the primary focus was on the OD review's strategic alignment and its anticipated positive impact on service quality and shareholder value. By integrating these diverse perspectives into the decision-making process, the Board demonstrated its commitment to responsible governance and adherence to section 172 obligations, promoting the long-term success of the Company while managing the needs of all stakeholders involved.

Report of the Nomination Committee

I am pleased to introduce the report of the Nomination Committee for the year ended 30 September 2024.

Role of the Committee

The role of the Nomination Committee is to ensure a formal, rigorous, and transparent procedure for Board appointments. It leads the process for appointments and makes recommendations to the Board. It assists the Board in reviewing and refreshing its composition, considering the balance of skills and experience to maintain effectiveness. It ensures plans are in place for orderly succession to Board positions and senior management roles, and oversees the development of a diverse pipeline for succession.

The Committee's full roles and responsibilities are set out in written terms of reference, which were last reviewed on 29 November 2024 and are available on the Company's website at www.onthebeachgroupplc.com/investor-centre/corporate-governance.

The Committee met six times during the year and member attendance is shown below.

Member	Status	Appointment	Attendance
Richard Pennycook (Chair)	Independent	April 2019	6/6
David Kelly	Independent[1]	September 2015	6/6
Elaine O'Donnell	Independent	July 2018	6/6
Justine Greening	Independent	March 2021	6/6
Veronica Sharma	Independent	September 2023	6/6

1. David was independent up to and including 27 September 2024, thereafter non-independent.

The Committee's composition meets the requirements of the Code.

Membership and meetings

The Committee meets at least twice annually and at such other times as are necessary to discharge its duties. Only members of the Committee have the right to attend meetings. Other members of the Board as well as external advisers and others attend for all or part of Committee meetings by invitation when appropriate. The Company Secretary acts as secretary to the Committee.

"The Committee has ensured the Board's composition supports strategy, growth, governance, and safeguards the interests of all stakeholders."

Richard Pennycook
Chair of the Nomination Committee

Committee activity in FY24

- Reviewed and agreed upon a work plan for the Committee for FY24.
- Oversaw the succession plan for David Kelly, who will not stand for re-election at the 2025 AGM after serving nine years on the Board.
- Supervised the execution of a comprehensive induction plan for Veronica Sharma following her appointment to the Board in September 2023.
- Appointed Veronica Sharma as Designated NED for Employee Engagement, succeeding David Kelly.
- Reviewed the Register of Directors' interests to identify potential conflicts and ensure each Director had sufficient time to fulfil their duties.
- Confirmed that all Non-Executive Directors, except Simon Cooper and David Kelly, remained independent.
- Assessed the results of the 2023 Board, Committee, and Director evaluations to determine effectiveness.
- Updated the skills matrix to align with the Group's strategic priorities and development.
- Evaluated the composition and structure of the Board and its committees, focusing on size, skills, experience, and diversity.
- Recommended the re-election of all Directors except David Kelly at the 2024 AGM.
- Updated and recommended the Committee's Terms of Reference to the Board.
- Approved the Nomination Committee's report for inclusion in the FY24 Annual Report.
- Planned the search for an independent NED to succeed David Kelly and initiated a tender process to appoint a specialist search firm.
- Reviewed the updated skills matrix to identify skills and experience gaps with David Kelly's departure, and developed a role profile for the new independent NED.
- Commenced the search for the new independent NED.
- Reviewed the broader succession and leadership development plans for senior management.
- Reviewed compliance with the Board diversity policy.
- Recommended to Board to extend David's term from beyond nine years to assist with a smooth handover.
- Recommended to Board to extend the term of Justine Greening and Elaine O'Donnell's terms of appointment by three years.

Board changes

Having served nine years on the Board, David Kelly will not stand for re-election at the FY25 AGM and will step down as a Director on 10 January 2025. David joined the Board just prior to IPO in September 2015, and his contributions since then have been invaluable. He has brought a unique combination of skills and experience, particularly in technology, product, and ecommerce, as well as a deep understanding of consumer behaviour and a passion for strategic people and organisational development. During his tenure, David held various key positions, including Senior Independent Director, Acting Chairman, Chair of the Remuneration Committee, and Designated NED for Employee Engagement. His extensive contributions have greatly benefitted the Board and the Group. We extend our heartfelt thanks to David for his dedicated service and significant impact over the past nine years.

The search for a successor for David is at an advanced stage and I look forward to sharing details of the new appointment with you soon.

Succession planning – Board

A key area of focus for the Committee during FY24 was on succession planning at a Board level, in anticipation of David Kelly stepping down as outlined above. Given David's significant contribution to the Board, this succession plan has been long in the making. In the FY22 report, we disclosed that on 27 January 2023, Elaine O'Donnell took over from David as Senior Independent Director and Justine Greening took over from David as Chair of Remuneration Committee.

The appointment of Veronica Sharma as an independent Non-Executive Director in September 2023 was made partly in anticipation of David's succession, and we are fortunate that Veronica shares David's knowledge, experience and passion for people and organisational strategy as well as having experience working within a number of leading technology enabled businesses.

During FY24, having reviewed and updated the skills matrix as outlined below, the Committee's focus was on identifying the gaps that would be left by David's retirement from the Board, being deep knowledge and experience of technology, product and consumers. Having identified the gap, the Committee ran a tender process to appoint an external search firm, and at the end of that process, appointed Founders Keepers, for their strong reputation in the tech space, extensive candidate network and contacts, as well as their knowledge of the business, having placed a number of senior hires and important strategic hires in product and technology.

The Committee worked with Founders Keepers to define a role profile for the search and to run a thorough and effective recruitment process. The search is ongoing but at an advanced stage and an update will be provided in due course.

Succession planning – senior management

The Committee reviewed the leadership talent pipeline and succession plans for senior management. In particular, the Committee reviewed the plans in relation to the retirement of Bill Allen, the Chief Supply Officer. This was addressed as part of a wider organisational design project.

Leadership development

In addition to succession planning, the Committee examined leadership development initiatives aimed at cultivating a high-performing team. The plans focus on creating opportunities for growth and development for current and future leaders, ensuring they are equipped with the skills and capabilities needed to drive the Company's strategic objectives. By investing in leadership development, we aim to build a team of leaders who can navigate the evolving business landscape and contribute to the long-term success of the Company.

Composition of the Board and its Committees

The Committee uses a skills matrix as a tool to assist it with reviewing the balance of skills and experience on the Board. During the year, the Committee reviewed and updated the skills matrix, to ensure that it was up-to-date and aligned with overall strategy. The skills matrix covers experience of industry/sectors, geographic locations, governance/Board positions, and technical areas relevant to the business including strategy and finance, marketing/brand/consumer, operations, technology and product, and legal and governance. Directors are scored on varying degrees of experience in each category, resulting in an aggregate score per category, which provides an objective and quantifiable way to measure skills and experience on the Board.

As part of the wider review of Board composition, the Committee also considered:

- the independence of Non-Executive Directors and the balance on the Board between Executive and Non-Executive Directors;
- diversity of the Board, including age, gender and ethnicity;
- the business strategy and how the Board skills and capability mix aligns with the current composition;
- length and tenure; and
- the effectiveness review of the Board, its principal Committees, the Chairman and individual Directors.

Having carried out the review, overall the Committee is satisfied that the Board has the necessary mix of skills and experience to fulfil its role effectively, however it was identified that David's departure would result in a lower score particularly in technology and product, and that this would need to be addressed in the recruitment of the new independent NED.

All Directors are subject to annual re-election. Further details about the particular skills, knowledge and experience each Director brings to the Board can be found in the Directors' biographies on pages 66 to 68.

Non-compliance with provision 11 of the Code

David Kelly agreed to remain as a Director beyond his nine-year anniversary in September 2024 to ensure a smooth transition. The Committee recommended to the Board a brief extension of David's appointment past this term. Consequently, since 28 September 2024, David Kelly has served as a non-independent Non-Executive Director, resulting in the Company not being compliant with provision 11 of the Code during this period. This non-compliance will be for a short period, during which the Board continued to benefit from David's extensive and valuable experience, which was deemed to be in the best interests of the Group.

Diversity

Diversity in all forms is critical to our business's future success. The Committee values a diverse Board for its ability to ensure a broad range of views, constructive debate, and effective decision-making. In reviewing Board composition, the Nomination Committee emphasised that diversity enhances creativity, innovation, and understanding, leading to better overall decisions. The Board composition remains compliant with our Diversity Policy as outlined below.

Objective	Objective met	Comment
40% female representation at Board level	Yes	Female representation at Board level is 44%
At least one of the senior Board positions (Chair, CEO, CFO, or Senior Independent Director) being held by a female Director	Yes	Elaine O'Donnell is the SID
At least one member of the Board shall be from a minority ethnic background	Yes	Veronica Sharma is from a minority ethnic background

The table below sets out data on gender identity and ethnicity representation across the Board and Executive Management. The Company Secretariat collates data on gender identity and ethnicity directly from our Board and Executive Management using a Diversity and Inclusion Monitoring Form, which is circulated annually. The below tables directly reflect the questions asked of the Board and Executive Management. All data is held securely in line with our data protection and retention guidelines.

Female representation at Executive level is now 50%, which is the highest it has ever been. However, there is a lack of ethnic diversity and this is an area of focus within the People Strategy.

(a) Gender identity as at 30 September 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Executive Management	Percentage of Executive Management
Men	5	56	3	4	50
Women	4	44	1	4	50
Not specified/prefer not to say	–	–	–	–	–

(b) Ethnicity representation as at 30 September 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	8	89	4	8	100
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	11	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–

Committee effectiveness

As part of the annual Board evaluation, all members of the Nomination Committee participated in an evaluation of the Committee. The evaluation concluded that the Committee continues to perform effectively. Further details of the evaluation can be found on pages 77 to 78.

Richard Pennycook
Chair of the Nomination Committee

2 December 2024

Report of the Audit Committee

I am pleased to present the Audit Committee report for the year ended 30 September 2024.

This report is intended to provide shareholders with an insight into how key topics were considered during the year, the activities of the Committee and how the Committee discharged its responsibilities in FY24.

The Committee fulfils a vital role in the Company's governance framework, providing valuable independent challenge and oversight across the Company's financial reporting, risk management and internal control procedures.

This has been a significant year of change for the business with the signing of the transformational Ryanair partnership agreement and the changes made to our B2B operations.

Alongside this, and despite the challenging economic backdrop, the Group has shown strong financial performance.

With the assistance of management and our external auditor, EY, the Committee has considered the main financial reporting issues, estimates and judgements, and we believe that the information in the Annual Report is fair, balanced, and understandable and clearly explains progress against our strategic and operating objectives.

Elaine O'Donnell
Chair of the Audit Committee

"This has been a significant year of change for the business with the signing of the transformational Ryanair partnership agreement and the changes made to our B2B operations."

Elaine O'Donnell
Chair of the Audit Committee

Committee governance

Responsibilities

The main roles and responsibilities of the Committee are set out in its terms of reference. The terms of reference are reviewed annually by the Committee and any proposed changes are recommended to the Board. The current terms of reference can be found at the Company's website at: www.onthebeachgroupplc.com. These were last reviewed on 29 November 2024. The Committee's main responsibilities are:

- reviewing the Group's annual and half year financial statements and accounting policies;
- monitoring the integrity of the Group's financial statements, including the application of key judgements in determining reported outcomes to ensure that they are fair, balanced and understandable;
- reviewing the Group's risk management framework and advising on the Group's risk appetite;
- reviewing the Group's system of internal controls and risk management and making recommendations for improvements;
- to agree the external auditor's engagement terms, scope and fees;
- to review the effectiveness and objectivity of the external audit process, assess the independence and objectivity of the external auditor and ensure appropriate policies and procedures are in place to protect such independence;
- the Committee is also responsible for developing and implementing the Group's policy on the provision of non-audit services by the external auditor;
- to review regularly the need for an internal audit function;
- review the Group's procedures for raising concerns and the effectiveness of the Group's anti-bribery and fraud prevention processes; and
- review the output of the Group's treasury committee to ensure compliance with policy.

Committee composition

The Committee currently comprises three independent Non-Executive Directors. The Committee members bring a wide range of financial and commercial expertise necessary to fulfil the Committee's duties. Summary biographies of each member of the Committee are included on pages 66 to 68. The Board is satisfied that the Committee's Chair, Elaine O'Donnell, has extensive recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the Group operates.

The Committee met three times during the year and member attendance is shown below.

David Kelly was a member of the Committee until 27 September 2024 when he became non-independent. The Committee's Terms of Reference (in line with the Code) require that all members are independent Non-Executive Directors, so David stood down from the Committee on 27 September 2024. The Committee would like to thank David for his nine years of service to the Committee and his valuable contributions over the years. David attended all three meetings.

Member	Status	Appointment	Attendance
Elaine O'Donnell (Chair)	Independent	July 2018	3/3
Justine Greening	Independent	March 2021	3/3
Veronica Sharma	Independent	September 2023	3/3

Whilst the management team and Chair of the Board are not members of the Committee, standing invitations are extended to the Chief Financial Officer, Chief Executive Officer, Chief Customer Officer, Chair of the Board, the external auditors and other Non-Executive Directors.

Jon Wormald, as Chief Financial Officer, has responsibility for all aspects of financial reporting, internal control and risk management. Jon has attended all Committee meetings and updated the Committee on all key matters.

The Company Secretary is Secretary to the Committee.

Effectiveness

The Committee has reviewed and considered the effectiveness of its performance during the year. The review included views of members of the Committee and of regular attendees at the various meetings (including the Executive Directors). The review indicated that the Committee continues to perform well with no significant concerns.

Key activities of the Committee during the year

- Reviewed the proposed scope, materiality, focus areas and planning for the external audit.
- Reviewed and recommended to the Board the full and half year financial results for publication and the financial results presentations.
- Reviewed the activity of the Executive Risk Committee throughout the year.
- Focused on financial reporting to ensure the Annual Report and Accounts is fair, balanced and understandable.
- Consideration of significant accounting matters and judgements in respect of the restructure of the Group's B2B operations.
- Reviewed the Group's going concern and viability statements.
- Reviewed management's approach to key judgemental areas of reporting and the related comments of the external auditor (see below for further details).
- Reviewed the Group's approach to meeting its reporting responsibilities against the requirements of the TCFD framework.
- Received reports on internal controls and risk management from the Head of Group Risk.
- Review of paper outlining the distributable reserves in place in relation to the payment of dividends.
- Reviewed the whistleblowing report (noting that no whistleblowing complaints were made).

Key activities of the Committee during the year continued

- Considered the potential impact of forthcoming regulatory reforms in relation to audit and corporate governance.
- Reviewed the resolutions to be put to shareholders at the 2024 AGM, including in respect of the declaration of a final dividend.
- Received a third-party assessment of the Group's information security maturity.
- Reviewed and approved new Group policies in relation to Tax & Treasury.
- Reviewed the Group's procedures for preventing and detecting fraud, along with its systems and controls for the prevention of bribery.
- Assessed the effectiveness of the external audit process and the Committee's effectiveness.

Significant matters relating to the financial statements considered by the Committee

As part of the process of monitoring the integrity of the financial information presented in the half year results and the Annual Report and Accounts, the Committee reviewed the key accounting policies and judgements adopted by management to ensure that they were appropriate. The Committee also considered a paper on this matter presented by the external auditor.

The most significant areas of judgement considered by the Committee were as follows:

Revenue recognition

Dependent on the contract with the customer and the nature of services provided, the Group will either recognise revenue on a booked basis where it acts as an agent or a travelled basis where it acts as principal. Where the Group operates as an agent, a provision for the estimated loss of margin on future cancellations is also recorded. This is subjective and involves judgement. The Audit Committee has considered management's judgements on the appropriateness of the revenue recognition policy and considers the approach and application of this policy to be appropriate.

Capitalised website development costs

The Group incurs significant internal costs in respect of the development of the Group's websites. The accounting for these costs, as either development costs, which are capitalised as intangible assets (for enhancement of the website) or expensed as incurred (in respect of maintenance), involves judgement.

The Committee has reviewed management's application of the accounting policy adopted and the assessment of whether current projects meet the criteria required for costs to be capitalised and consider the approach and application of this policy to be appropriate.

Valuation of goodwill, intangibles and investments

The estimated recoverable value of the Group's intangible assets is subjective due to inherent uncertainty involved in forecasting and discounting future cash flows.

The principal uncertainty is the extent to which these intangible assets will continue to generate cash flows for the Group and whether this is sufficient to support the asset value. This year, management has specifically considered whether the value of these assets has been impaired as a result of the changes to our B2B operations.

Management has also considered the extent to which the carrying value of investments in the Parent Company may be impaired by reference to the current market capitalisation of the Group.

The Committee has reviewed the accounting and is satisfied with the key assumptions used in the forecasts.

Discontinued operations

The Group reviewed the performance of its B2B operations during the year and identified necessary changes to improve performance. Given there were two operating segments in the prior year relating to our B2B operations, management have given consideration to whether this meets the requirements to be disclosed as discontinued operations. There were also separately identifiable intangible assets relating to the discontinued operations which have been assessed as to whether they should be written off in the year.

The Committee has considered management's judgements as well as external advice, and considers management's approach to be reasonable.

Fair, balanced and understandable

The Committee considered whether the half year results and the Annual Report and Accounts were fair, balanced and understandable and whether the information provided was sufficient for a reader of the statements to understand the Group's position and performance, business model, risks and strategy.

In arriving at its assessment, the Committee has placed reliance upon:

- the process by which the Annual Report was prepared, including detailed planning and a comprehensive review process;
- reports prepared by senior management regarding critical accounting judgements and significant accounting policies;
- discussions with, and reports prepared by, the external auditors; and
- regular information received throughout the year, including monthly KPIs.

The Directors' statement on a fair, balanced and understandable Annual Report and Accounts is set out on page 125 of this Report.

External audit

External auditor effectiveness and appointment

The Committee oversees the Group's relationship with the external auditor and reviews and makes recommendations regarding their reappointment. As part of this process the Committee considered the effectiveness of EY as part of the FY24 year end process. The Committee took a number of factors into account when considering the effectiveness of the external audit including:

- the quality of the audit planning covering the approach, scope and levels of fees for the audit;
- delivery and execution of the agreed external audit process for FY24;
- the extent of EY's resources and technical capability to deliver a robust and timely audit, including the experience, industry knowledge and expertise of the EY audit engagement team;
- the quality of EY's explanation of and response to significant risks identified;
- the competence with which EY handled and communicated the key accounting and audit judgements;
- the communication and engagement between management, EY and the Committee; and
- the steps taken by EY to ensure their objectivity and independence.

The Committee also meets with the external auditor at least once each year without management being present, which provides additional opportunity for open dialogue and feedback.

The Committee has concluded that overall, EY has carried out its audit for FY24 effectively and efficiently and that EY continues to provide constructive and independent challenge to management and consistently demonstrates a realistic and commercial view of the business.

External auditor fess

During 2024, management agreed an increase in the audit fees for the Group and subsidiary companies to £475,000 (2023: £461,000). The increase reflects a marginal increase due to inflation as well as additional procedures required in respect of the discontinued operations.

Non-audit services

The fees paid to EY in respect of non-audit services during the year related to the ATOL return and totalled £52k representing 10% of the total audit fee (2023: £49k, representing 10% of the total audit fee). These non-audit services are considered to be closely related to the work performed by EY as auditor of the Group and, therefore, the auditor is the appropriate firm to carry out the services.

External auditor rotation

EY was appointed auditor to the Group in March 2019 following a competitive audit tender process. As anticipated, the lead audit partner was required to rotate after her fifth year, being the FY23 audit. A smooth handover has taken place to our new audit partner, and we are grateful to EY for their management of this process.

The Committee recommended, and the Board intends to propose, the reappointment of EY as the Company's auditor for FY25. It believes the independence and objectivity of the external auditor and the effectiveness of the audit process are safeguarded and remain strong. It is expected that the external audit will be put out to tender at least every ten years.

Internal audit

The Committee has again considered the requirement for the setting up of an internal audit function. As part of this review, as suggested by the Corporate Governance Code Guidance, the Committee considered whether there were any significant trends or current factors, both externally and internally, which were felt to have increased the risks faced by the Group. In addition the Committee considered reports received from management during the year in respect of the internal control environment.

Having undertaken the review, the Committee again determined that it was not currently necessary to establish an internal audit function.

Risk management and internal control

A description of the process for managing risk together with a description of the principal risks and strategies to manage those risks is provided on pages 54 to 58.

The Board is responsible for establishing, maintaining and monitoring the Group's system of risk management and internal control and reviewing its effectiveness. The Committee monitors the performance of management in this area.

We have an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. The Group's risks are monitored by the Audit Committee on behalf of the Board, which sets aside time for an in-depth discussion of notable or changing risks to the business and receives regular updates from the ERC on risk developments.

The Committee discussed the reduction in the number of principal risks from 13 to 11 and agreed with the removal of the "recoverability of airline refunds" and "acquisition and organic growth" risks following the signing of the Ryanair partnership agreement and the settlement of the refunds litigation.

In addition, the Audit Committee receives detailed reports from the external auditor in relation to the financial statements. The Chair of the Audit Committee also has regular interaction with the external auditor and senior members of the Group's finance department in order to monitor and assess the effectiveness of the Group's system of internal controls.

The Board, through the Audit Committee, has reviewed the effectiveness of the Group's system of internal controls in operation across the Group. This review covered the material controls, including financial, operational and compliance, as well as risk management arrangements. No significant control failings or weaknesses were identified during the period under review.

The Committee has considered the requirements of 2024 UK Corporate Governance Code and in particular the requirements for disclosure in respect of the effectiveness of material controls. The Committee is comfortable with the progress made ahead of the statutory deadlines in order to be able to comply with the requirements of the Code.

Whistleblowing

The Group has a formal whistleblowing policy in place, which provides details of how employees can raise concerns in relation to the Group's activities or the actions of any employee of the Group on a confidential basis. This policy is reviewed annually by the Audit Committee. The Group provides a whistleblowing telephone service run by an independent organisation, allowing employees who do not wish to use normal internal line management channels, to raise concerns on an entirely confidential basis. During the year the Group has provided additional training to employees to reinforce the policy in place and to clarify the available contact points. No reports have been received.

E O'Donnell

Elaine O'Donnell
Chair of the Audit Committee

2 December 2024

"The Committee has considered the requirements of 2024 UK Corporate Governance Code and in particular the requirements for disclosure in respect of the effectiveness of material controls."

Elaine O'Donnell
Chair of the Audit Committee

As Chair of the Remuneration Committee (the "Committee"), I am delighted to present the Company's Remuneration report for the year to 30 September 2024.

Contents

Letter from the Remuneration Committee Chair

This sets out the Committee's approach to Executive pay, including the alignment of remuneration with our business strategy and how it takes account of stakeholder expectations.

Strategic alignment

At the heart of our remuneration strategy lies a commitment to recognising and rewarding the talent that drives our success and delivers our growth strategy.

In shaping our remuneration strategy and associated Remuneration Policy, we have actively engaged with our investors, promoting open and transparent communication. Our strategy places significant emphasis on continually improving the customer experience, and we recognise that highly-engaged and motivated employees are vital to driving positive customer experiences. Our remuneration strategy is therefore designed to align with this interconnected approach.

Senior bonuses continue to be principally tied to the delivery of financial performance metrics which sit alongside metrics focused on enhancing employee and customer satisfaction objectives. The Committee's view is that strong financial returns, driven by delighted customers and happy employees, collectively delivers the success of the Company year on year and underpins its future growth prospects.

Our Remuneration Policy is designed to deliver strong, sustainable long-term performance for the benefit of customers, employees, investors, communities and society. In overseeing remuneration outcomes, the Committee ensures that performance is assessed holistically through its stakeholder lenses (see page 98).

Our primary focus is on attracting, retaining, and fairly rewarding our dedicated workforce and leadership team. This commitment is not just about internal stakeholders; it extends to contributing positively to society and communities, fostering equity and opportunities. During 2024 we formed a partnership with a local school in Manchester to focus on encouraging and developing talent from a range of socio-economic backgrounds to consider pathways into tech and the travel sector. We hope to develop this further in 2025. You can read more about this in our "Here for people" section on pages 32 to 39.

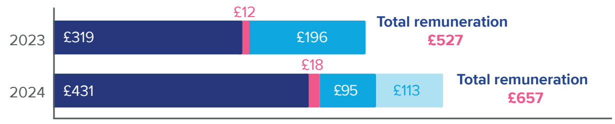
> **"Our Remuneration Policy is designed to deliver strong, sustainable long-term performance for the benefit of customers, employees, investors, communities and society."**
>
> **The Rt. Hon Justine Greening**
> Chair of the Remuneration Committee

Performance and remuneration in 2024

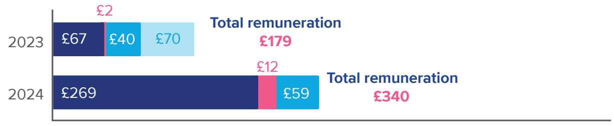
Total remuneration outcomes for Executive Directors

Group performance was strong in FY24 with Profit Before Tax ('PBT') at 29.9m versus 23.0m for the prior financial year. Wider travel sector dynamics on pricing have significantly fed into the remuneration outcomes for both the FY24 annual bonus and FY22 LTIP, with an outcome of 22% of maximum for the annual bonus and a current estimate of 37.5% for the LTIP (subject to a final assessment of the TSR elements at the end of the performance period in February 2025).

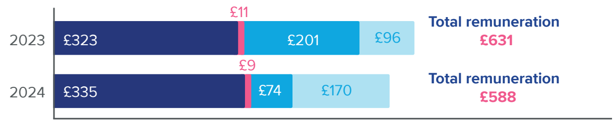
CEO Shaun Morton £'000



CFO Jon Wormald £'000

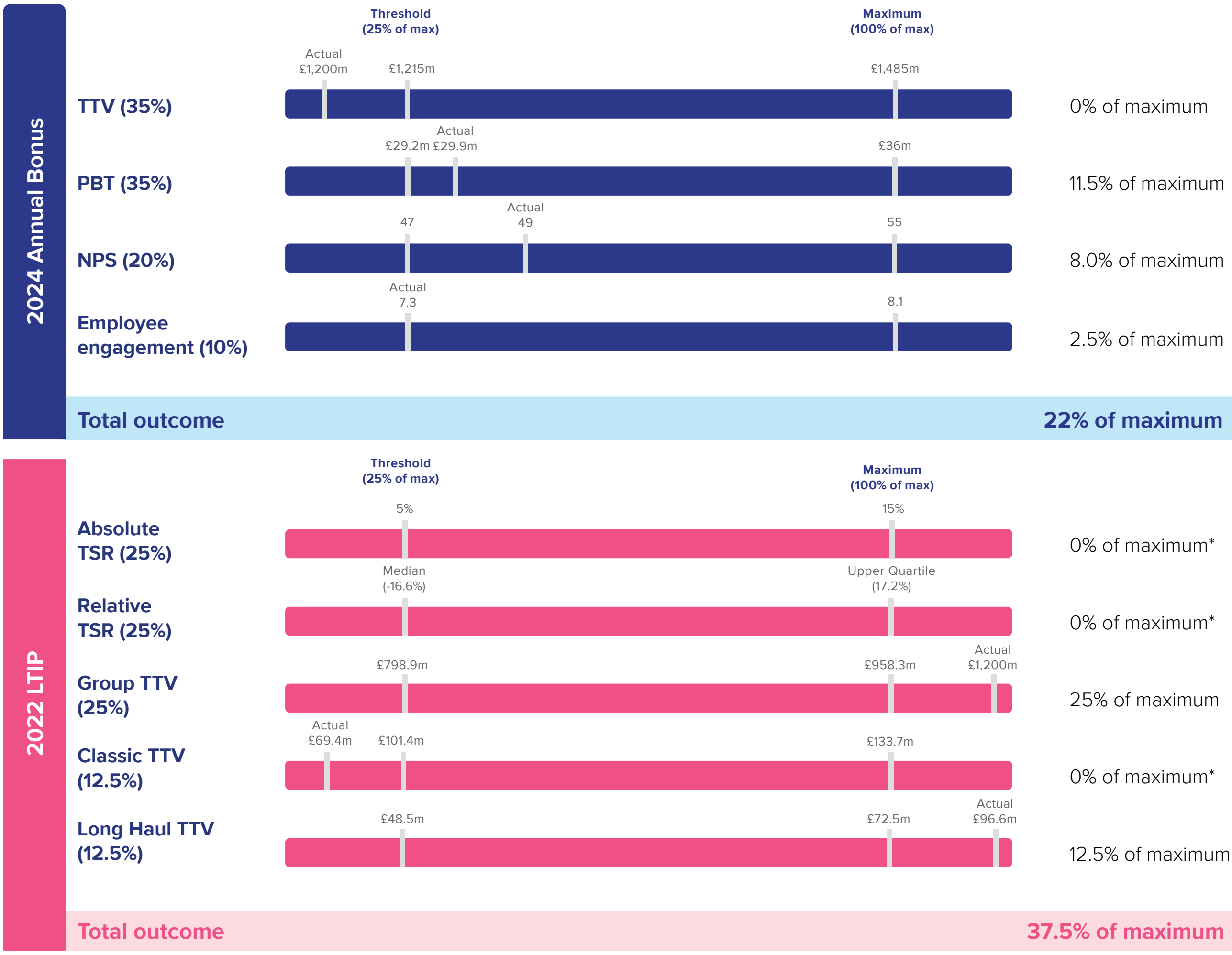


CMO Zoe Harris £'000



- Base salary
- Benefits and pension
- Annual bonus
- LTIP

2024 incentive outcomes



* Final TSR outcome will be assessed at the end of the performance period in February 2025. Estimate is based on performance up to 30 September 2024.

Further detail on the exact targets and outcomes can be found on page 106, and an explanation as to the drivers of the outcome can be found on page 97.

Letter from the Remuneration Committee Chair continued

Approach to performance and reward for FY25

The Committee carefully reviewed the need for Executive Director remuneration to be considered in relation to appropriate market pay benchmarking but also against wider workforce pay and benefits.

Base salary: The Committee increased the Executive Directors' base salary by 3% from 1 January 2025, which is in line with the wider workforce base pay increase.

Pension: The Executive Directors' pension contributions are aligned with the wider workforce (4% of eligible earnings) which will increase to 5% in January 2025.

Annual bonus: The maximum bonus opportunity remains unchanged at 100% of salary. The Committee considered the existing bonus metrics and weighting in relation to the business strategy and concluded they remain the strongest approach to align remuneration with the strategy to grow market share, in a way that drives increased profitability, whilst also recognising the importance of customer satisfaction and employee engagement in underpinning this strategy. The Committee determined that the wider travel sector pricing fluctuation was part of the ongoing business environment that management has to navigate. The FY25 bonus will therefore adopt the same structure (metrics and weightings) as the FY24 awards. See the spotlight on page 99 for further commentary.

The forward-looking targets are deemed to be commercially sensitive but full details will be disclosed on a retrospective basis in next year's Annual Report and Accounts. The deferral of up to 50% of any payout in shares for two years remains unchanged.

FY25 LTIP: LTIP awards of 100% of salary were granted to the Executive Directors on 2 October 2024. In line with the Directors' Remuneration Policy, awards will be vest subject to continued employment and a performance underpin (see spotlight on page 107).

Non-Executive Directors: Non-Executive Director fees were disclosed in the FY22 Directors' Remuneration report and remain unchanged. These will be reviewed as part of the wider Directors' Remuneration Policy review which the Committee will be undertaking over the coming year.

Dilution and share hedging strategy

During the year, the Committee reviewed the dilution position as against limits approved by shareholders, on a current and look-forward basis. It recommended to the Board a share hedging strategy which included the use of an employee benefit trust to make market purchases of the Company's shares which can be used to satisfy share awards. On 3 October 2024, the Company announced a market purchase programme under which the EBT will make purchases of the Company's shares for a maximum aggregate consideration of £5m. Those shares have now been purchased by the EBT and will be used to satisfy share scheme exercises going forward.

Conclusion

The Committee remains committed to ensuring that we are responsive to developments in best practice on remuneration, as well as a transparent approach in respect of Executive pay in the context of the wider workforce.

Should you have any queries or comments on this report, or more generally in relation to remuneration, then please do not hesitate to contact me via the Company Secretary.

I hope that you find the information in this report helpful and informative, and I look forward to your continued support at the Company's 2025 Annual General Meeting.

The Rt. Hon Justine Greening
Chair of the Remuneration Committee

2 December 2024

Q&A with the Chair of the Remuneration Committee

The Rt. Hon Justine Greening
Chair of the Remuneration Committee

Q The bonus payout for the year is low despite strong financial performance. Can you explain why?

A Our bonus targets are designed to reflect our growth ambitions. Total Transaction Value ('TTV') grew by 15% year on year, though external factors, particularly market-wide price deflation, negatively impacted TTV performance, resulting in no payout. Adjusted Profit Before Tax ('PBT') was impressive at £31.4m, but the Committee had agreed to include elements of discontinued operations when setting the targets, leading to a lower payout based on a Group adjusted PBT of £29.9m. Customer satisfaction, measured by Net Promoter Score ('NPS'), remained strong and contributed positively within its 20% weighting. The employee engagement score, which accounts for 10% of the bonus, was below target due to the necessary significant organisational changes we implemented to build a strong foundation for future growth. While TTV was affected by external factors, the Committee chose not to exercise discretion to adjust the formulaic outcome, reflecting our approach in previous years and recognising that inflation and deflation trends are ongoing aspects of the business environment in which management must deliver growth. We are confident that the strategic initiatives in FY24 will position us well for success in FY25 and beyond.

Q 2025 is a Policy review year for OTB. What is the Committee looking to consider in the upcoming Policy review?

A The current policy was approved in 2023 with the main changes to the policy focused on the LTIP, where following extensive shareholder engagement, the Committee concluded that the most appropriate approach was to introduce a restricted share plan, in part influenced by the challenges at that time in setting meaningful three-year performance targets as a result of the macro-economic environment and the nature of the travel sector. Over the course of the coming year, the Committee will review the policy in its totality, including the balance of fixed and variable remuneration, to ensure it remains effective in incentivising and retaining our talent in order to deliver our business growth strategy.

Q In last year's report, you stated that you were asking employees to voluntarily share socio-economic background data. What actions have you taken as part of this exercise?

A We first collected socio-economic background data from our workforce in October 2023 as part of our annual engagement survey. We'll collect a second set of data in our survey in October 2024. Doing so, we have gathered industry insights from other organisations who are leading the way in this field. We want to make sure that On the Beach is open to talent for all backgrounds and that it can thrive in the business. These insights, our data gathering and the practical work we are doing to find talent upstream with a local school in Manchester will drive the next stage of our action planning to break down barriers to opportunity.

See page 38 in the "Here for people" section for more information

Our stakeholders, our strategy and the link to remuneration

The Committee has designed remuneration with our stakeholders in mind as set out in the table below.

Stakeholder	Link to remuneration
Employees	• Our ability to deliver on our strategy is dependent on being able to attract, retain, incentivise and reward our employees. We do this via the following tools: – Basic salary – Benefits – Bonus (for more senior staff) – LTIP (for more senior staff) • Employee satisfaction makes up 10% of bonus targets.
Investors	• We've actively engaged with our investors to understand what was important to them on remuneration. • We know financial performance is important to investors. 70% of the annual bonus is based on financial metrics (35% PBT, 35% Group TTV). • Employee (HIVE 10%) and customer (NPS 20%) metrics within the bonus ensure long-term sustainable success and returns for investors through a focus on these two key drivers of business strategy. • The current LTIP put forward at the 2023 AGM (100% of salary with no performance conditions (previously 200% with conditions)) aligns management with investors by providing a clear line of sight to tangible rewards, fostering a more engaged management team focused on delivering financial and strategic performance that drives long-term shareholder value. • Alignment of Executive Directors with investors is also achieved via: – deferral of 50% of bonus into shares for two years; – two-year post-vesting holding period for LTIPs; and – Committee assessment of appropriateness of award in the round (see page 107).
Customers	As a customer-centric business, customer satisfaction is built into our Remuneration Policy via the NPS element in bonus (20%). Indirectly, customer satisfaction is also built via employee satisfaction (happy employee = happy customer).
Communities & Society	People strategy is not only designed to support our current cohort of employees but to cultivate a diverse pipeline of talent. Our outreach activities are designed to support DEI (including social mobility) in our communities more widely than just within OTB.
Regulators & Government	We need to report openly and transparently to the Government and Regulators to ensure we comply with our obligations but also to support the policy aims of Government and Regulators more generally. We will disclose our Gender Pay Gap report in December 2024, ahead of mandatory disclosure in April 2025. We will also consider other voluntary disclosures in relation to ethnicity pay gap reporting.

Spotlight on link between business growth strategy and performance targets

The annual bonus consists of the following metrics and weighting:

- Total Transaction Value ('TTV') (35%)
- Adjusted Profit Before Tax ('PBT') (35%)
- Net Promoter Score ('NPS') (20%)
- Employee Engagement (10%)

As the Group's strategy continues to evolve, the Remuneration Committee has carefully reviewed the existing metrics and determined that they remain fit for purpose and aligned with the strategic focus for FY25. The growth strategy focuses on expanding the addressable market, increasing market share, and enhancing margins.

The remuneration strategy reflects this focus, with TTV and PBT as the primary financial metrics driving incentives. The Committee believes it is appropriate for these financial metrics to continue to represent the largest portion of the annual bonus. Additionally, the commitment to a tech-enabled, high customer satisfaction experience is captured in the employee engagement and NPS metrics, which are vital for achieving growth and maintaining customer loyalty. Taken together the Committee believes they provide the right balance of financial and non-financial metrics to both support the deliver of business strategy and incentivise and reward performance.

The Committee also assessed the continued relevance of TTV, acknowledging its vulnerability to external factors, as seen in FY24. However, revenue growth remains a strategically significant part of the business growth strategy and will therefore be retained in the bonus structure for FY25. A comprehensive review of the bonus structure and metrics will take place as part of the wider Policy review during FY25.

Remuneration Policy and implementation for FY25

The Directors' Remuneration Policy (the 'Policy') was approved at the AGM on 27 January 2023. A summary of the Policy is set out below and the full version is included in the Annual Report and Accounts for the financial year ended 30 September 2023, available under the "Reports and presentations" page of the Investors section of our website www.onthebeachgroupplc.com/investor-centre/reports-and-presentations.

Workforce remuneration

We have also included a summary of our approach to pay and reward across the whole business on pages 104 to 105.

Our Remuneration Policy is based on five key principles:

1 Shareholder alignment

Ensure a strong link between reward and individual and Company performance to align the interests of Executive Directors, senior management and employees with those of shareholders.

2 Competitive remuneration

Maintain a competitive package against businesses of a comparable size and nature in order to attract, retain and motivate high-calibre talent to help ensure the Company's continued growth and success.

3 Strategic alignment

Provide a package with an appropriate balance between short and longer-term performance targets linked to the delivery of the Company's business plan.

4 Performance-focused compensation

Encourage and support a high performance culture.

5 Setting appropriate performance conditions

In line with the agreed risk profile of the business.

Implementing our principles

	Year 1	Year 2	Year 3	Year 4	Year5
Fixed pay	Salary, benefits & pension				
Annual bonus Max: 100% of salary	50% in cash	50% in shares Two-year deferral period (no further performance conditions)			
LTIP Max: 100% of salary	Three-year vesting period (subject to continued employment and performance underpin)			Two-year post-vesting holding period	
Shareholding requirement 200% of salary	Minimum shareholding requirement				

Executive Directors: Fixed pay

Policy element	Purpose, operation and opportunity levels	Implementation in FY25
Base salary	**To provide a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.** Salaries are reviewed annually and any changes are normally effective from 1 January in the financial year. When determining an appropriate level of salary, the Remuneration Committee considers: • remuneration practices within the Company; • the performance of the individual Executive Director; • the individual Executive Director's experience and responsibilities; • the general performance of the Company; • salaries within the ranges paid by the companies in the comparator group used for remuneration benchmarking; and • the economic environment. **Maximum opportunity:** No maximum limit. Base salaries will be set at an appropriate level within a comparator group of listed companies of comparable size and will normally increase in line with increases made to the wider employee workforce.	Salary increases of 3% will be awarded to Shaun Morton, Jon Wormald and Zoe Harris (in line with the wider workforce), effective 1 January 2025. The resulting salaries will be: • Shaun Morton: £446,505 • Jon Wormald: £278,409 • Zoe Harris: £346,698
Benefits	**To provide a competitive level of benefits.** The Executive Directors receive benefits, which include family private health cover. The Committee recognises the need to maintain suitable flexibility in the determination of benefits that ensure it is able to support the objective of attracting and retaining talent. Accordingly, the Committee expects to be able to adopt benefits such as relocation expenses, car allowance benefit, death in service life assurance, travel expenses (including tax if any), tax equalisation and support in meeting specific costs incurred by Directors. **Maximum opportunity:** The maximum will be set at the cost of providing the benefits described.	No changes
Pension	**To provide market competitive retirement benefits.** The Committee maintains the ability to provide pension funding in the form of a salary supplement, which would not form part of the salary for the purposes of determining the extent of participation in the Company's incentive arrangements. **Maximum opportunity:** Aligned with the wider workforce.	Pension contribution will rise from 4% to 5% in January 2025 in line with wider workforce. See Q&A on page 105 for further information.

Remuneration Policy and implementation for FY25 continued

Executive Directors: Variable pay

Policy element	Purpose, operation and opportunity levels	Implementation in FY25
Annual bonus	**To provide a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders.** Annual bonuses are paid part in cash and part in shares. Up to 50% of any award will be deferred into shares for two years. Malus will apply up to the date of the bonus determination and clawback will apply for three years from the date of bonus determination. Performance is measured over the financial year based on a scorecard of financial and non-financial performance targets, which are aligned to the business strategy. At least half of the bonus will be based on financial performance. **Maximum opportunity:** 100% of salary.	FY25 opportunity: 100% of salary • Total Transaction Value – 35% • Profit Before Tax – 35% • Net Promoter Score – 20% • Employee Engagement – 10% The Committee considers the forward-looking targets to be commercially sensitive but full disclosure of the targets and performance outcome will be set out in next year's Directors' Remuneration report.
LTIP	**To incentivise the Executive Directors to maximise total shareholder returns.** Awards are granted annually to Executive Directors in the form of nil-cost options. These will vest at the end of a three-year period subject to the Executive Director's continued employment at the date of vesting. Awards will not be subject to any formulaic performance conditions but are subject to an overall performance underpin. The Committee may award dividend equivalents on awards to the extent that these vest. A further two-year holding period post vesting will apply. Malus will apply for the three-year period from grant to vesting with clawback applying for the two-year period post vesting. **Maximum opportunity:** 100% of salary.	FY25 opportunity: 100% of salary No formulaic performance conditions – awards vest subject to continued employment only and performance underpin (see spotlight on page 107 for further information).

Executive Directors: Shareholding requirement

Policy element	Purpose, operation and opportunity levels	Implementation in FY25
Shareholding requirement	**To support long-term commitment to the Company and the alignment of Executive Director interests with those of shareholders.** Executive Directors must reach a shareholding equal to 200% of salary over a five-year period from appointment to the Board. Executive Directors must retain a shareholding on cessation of employment for two years equal to the lower of 200% of salary and the actual shareholding on cessation. Shares bought by Executive Directors and shares granted prior to the 2022 AGM are not subject to this holding requirement.	No changes

Non-Executive Directors

Policy element	Purpose, operation and opportunity levels	Implementation in FY25
Fees	**Provides a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Company's strategic objectives.** The Board is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman, whose remuneration is considered by the Remuneration Committee and recommended to the Board. Non-Executive Directors are paid a base fee and may be paid additional fees for acting as chair of committees. The Chair of the Company does not receive any additional fees for membership of committees. Fees are typically reviewed every three years based on equivalent roles in an appropriate comparator group used to review salaries paid to the Executive Directors. Fees may be reviewed more regularly than this in exceptional circumstances, such as a significant increase in the size or complexity of the business. The fee structure was updated during 2022 and will next be reviewed in 2025. Non-Executive Directors do not participate in any variable remuneration or benefits arrangements. The Company will pay reasonable expenses incurred by the Chairman and Non-Executive Directors.	No changes Chairman – £178,800 Base fee – £53,300 Additional fees paid for: Senior Independent Director – £6,000 Chair of Audit Committee – £9,000 Chair of Remuneration Committee – £9,000 No additional fee is paid to the Chairman as Chair of the Nomination Committee.

Remuneration Policy and implementation for FY25 continued

Workforce remuneration

Our reward structure is designed to ensure we can attract, retain and incentivise our talent to enable us to deliver on our business strategy. It is important to us that we offer a reward package that our employees value and is fair, transparent, competitive, and drives high performance.

Eligibility: All employees

Remuneration element	Details	Implementation at OtB
Salary	We regularly assess salaries against local markets to ensure that we are able to attract and retain top talent.	• Annual pay reviews take place in January for all employees. • The Group is proud that it continues to be a Real Living Wage employer, voluntarily paying its lowest-paid employees a salary in excess of the National Minimum Wage.
Pension	To support employees in saving for the future, they're enrolled into the Group pension scheme within three months of their start date.	• All On the Beach employees receive a 4% Group pension contribution. We regularly review pension provisions as part of our benefits review and in January 2025 we'll be implementing an increased employer pension contribution of 5%. See Q&A on page 105 for more information.
Benefits	All employees are able to access benefits from day one of their employment.	• We aim to offer a benefits programme that has something for everyone, rather than one size fits all. • This year we've introduced a range of new and enhanced family-friendly policies, carers' leave and the option for employees to request to buy extra annual leave. • You can read more about these in our Here for People section on page 32. • We regularly review our benefits offering to ensure that it is relevant and competitive, and using internal feedback and data insights, alongside industry best practices, we continue to review and evolve our benefits package.
Share Incentive Plan ('SIP')	After six months' employment, employees are invited to join our SIP, this is an exciting benefit that enables eligible employees to buy shares in On the Beach, aligning the interests of employees with those of our shareholders. Our SIP gives employees the opportunity to become a shareholder in On the Beach via monthly contributions of £5 to £150.	Available to all employees with over six months' service.

Eligibility: All employees		
Remuneration element	**Details**	**Implementation at OTB**
Annual bonus	Our senior leadership team participates in a bonus plan which is based on performance against four business and financial metrics which underpin our business strategy. The plan is designed to reward collective contribution towards the delivery of our strategy.	As per Directors' Remuneration Policy except there is no deferral into shares for senior leaders.
Long-Term Incentive Plan ('LTIP')	The LTIP scheme is designed to retain and reward our senior leaders.	As per Directors' Remuneration Policy except there is no holding period applicable to the awards.

We continually review all elements of our workforce remuneration. For the second year, we've also collected insight from employees around social mobility. This data will help us to understand what socio-economic diversity looks like at On the Beach and will help us to understand if other obstacles may be in play alongside diversity and gender when it comes to attraction, development and progression. We'll continue to use this to help inform and shape our long-term thinking and action plans.

Q&A with Jennie Cronin, Chief People Officer

Q Can you tell us about your decision to increase employer pension contributions for the second year running?

A When it comes to supporting our people we also think about how we can support them in the longer term, and the decision to increase employer pension contributions is part of this plan. We want to help people with their long-term financial security and this further increase from 4% last year to 5% this year shows we're committed to making positive changes where we can.

Q How do you shape your benefits offer?

A When it comes to benefits, we know that we can't have a "one size fits all" approach and it's really important to us that our people find value in at least one of the benefits that we offer. We always have an eye on the options available to support our people with their wellbeing and we listen to employee feedback and work with our Employee Voice Wellbeing Forum to help shape our thinking and action plans around this.

Other statutory remuneration disclosures

Single total figure of remuneration (audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive and Non-Executive Director in respect of the 2024 financial year. Comparative figures for the 2023 financial year have also been provided.

£'000	Base salary/ fees		Benefits[3]		Pension		Total Fixed Pay		Bonus[4]		LTIP[7]		Total Variable Pay		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Executive Directors[1]																
Shaun Morton	**431**	319	**2**	2	**16**	10	**449**	331	**95**	196	**113**	–	**208**	196	**657**	527
Jon Wormald	**269**	67	**2**	–	**10**	2	**281**	69	**59**	40	**–**	70[5]	**59**	110	**340**	179
Zoe Harris	**335**	323	**1**	1	**8**	10	**344**	334	**74**	201	**170[6]**	96[6]	**244**	297	**588**	631
Non-Executive Directors[2]																
Simon Cooper	**53**	13	**–**	–	**–**	–	**53**	13	**–**	–	**20**	–	**20**	–	**73**	13
Richard Pennycook	**179**	174	**–**	–	**–**	–	**179**	174	**–**	–	**–**	–	**–**	–	**179**	174
David Kelly	**53**	57	**–**	–	**–**	–	**53**	57	**–**	–	**–**	–	**–**	–	**53**	57
Elaine O'Donnell	**68**	65	**–**	–	**–**	–	**68**	65	**–**	–	**–**	–	**–**	–	**68**	65
Justine Greening	**62**	58	**–**	–	**–**	–	**62**	58	**–**	–	**–**	–	**–**	–	**62**	58
Veronica Sharma	**53**	4	**–**	–	**–**	–	**53**	4	**–**	–	**–**	–	**–**	–	**53**	4

1. Simon Cooper stepped down as CEO on 30 June 2023 and transitioned to a Non-Executive Founder Director role and Shaun Morton was appointed as CEO from this date. This is reflected in the FY23 figures above.
2. With effect from 27 January 2023, David Kelly stepped down from his role as Chair of the Remuneration Committee and Senior Independent Director, and Justine Greening and Elaine O'Donnell appointed to these roles respectively. Veronica Sharma was appointed to the Board on 1 September 2023.
3. Taxable benefits received were family medical insurance.
4. The value of Shaun Morton's bonus for FY23 was calculated based on his CFO salary from 1 October 2022 to 29 June 2023 and his CEO salary from 30 June 2023 to 30 September 2023. The FY23 bonus for Jon Wormald was prorated from his start date on 30 June to 30 September 2023. The bonus for Simon Cooper is the prorata bonus payable from 1 October 2022 to the last date of his employment on 30 June 2023. The bonus for Zoe Harris is the bonus payable from the date of her appointment to Board on 14 October 2023 to 30 September 2023.
5. Jon Wormald was granted a buyout award following his appointment to CFO of an equivalent value to awards forfeited from his previous employer.
6. The value of Zoe Harris' LTIP includes an award that was granted prior to her appointment to the Board. Her FY22 EXEC RSA award vested in two tranches; 50% on 31 December 2022 (included above for 2023) and the remaining 50% vested on 31 December 2023 (included above for 2024). The award was subject to continued employment (no performance conditions).
7. The value of the LTIP for 2024 for each of Shaun Morton, Zoe Harris and Simon Cooper relates to the 2022 award (and in the case of Zoe Harris, includes the value of her FY22 EXEC RSA - see above). These values have been calculated based on the current expected vesting outcome of 37.5% of the maximum and using a share price of 139.6 pence, being the share price for the final day of the 2024 financial year, since the awards will not vest until February 2025 and part of the awards remain subject to an ongoing TSR metric. This is equivalent to 80,610 nil-cost options in the case of Shaun Morton, 44,292 nil-cost options in the case of Zoe Harris, and 31,628 nil-cost options in the case of Simon Cooper. The value of the FY22 LTIP award included above is therefore £112,532 in the case of Shaun Morton, £61,832 in the case of Zoe Harris, and £44,153 in the case of Simon Cooper. Further details of these awards are set out on page 107, and final values will be included in the 2025 Directors' Remuneration Report.

Bonus awards (audited)

2024 annual bonus awards and performance targets

For the year ended 30 September 2024, the maximum bonus opportunity for Executive Directors was equal to 100% of salary. The table below sets out the targets and performance and ultimate payout level.

		Performance level			Actual bonus paid		
Performance metric	Weighting	Threshold (25%)	Target (62.5%)	Maximum (100%)	Actual	% of maximum	% of salary
Group booked TTV (£m)	35%	1,215	1,350	1,485	1,200	0%	0%
Group adjusted PBT (£m)*	35%	29.2	32.6	36	29.9	33%	11.5%
Net Promoter Score	20%	47	52	55	49	40%	8.0%
Employee Engagement Score	10%	7.3	7.7	8.1	7.3	25%	2.5%
Total	**100%**						**22.0%**

* The annual bonus outcome for 2024 has been determined using a Group adjusted PBT of £29.9m, which includes adjustments to the audited Group adjusted PBT of £31.0m in respect of elements of discontinued operations.

In accordance with the Policy, 50% of the bonus will be deferred in shares, vesting after two years subject to continued employment. No discretion was applied in determining the annual bonus outcome.

Vesting of FY22 LTIP award (audited)

Shaun Morton, Simon Cooper (when he was an Executive Director) and (prior to her appointment to the Board) Zoe Harris were granted LTIP awards on 25 February 2022. The awards were based on Absolute TSR (25% weighting), Relative TSR (25% weighting), Group TTV (25% weighting), Long Haul TTV (12.5% weighting) and Classic TTV (12.5% weighting).

The Group TTV and Long Haul TTV targets exceeded the maximum performance level at £1,200m and £94m respectively and so these elements will vest in full. However, the threshold Classic TTV target was not met and accordingly this element will lapse. Performance against the TSR element will be assessed after the TSR performance period which ends in February 2025, but is estimated to lapse in full based on performance up to 30 September 2024. Further details are set out on page 95.

LTIP awards granted in FY24 (audited)

The table below sets out the details of the LTIP awards granted in the 2024 financial year in the form of nil-cost options.

Director	LTIP	Value of award	Number of shares awarded	Exercise Price (£)
Shaun Morton	100% of salary	£425,000	409,441	Nil
Jon Wormald	100% of salary	£265,000	255,298	Nil
Zoe Harris	100% of salary	£330,000	317,919	Nil

The awards were granted on 3 October 2023. The number of shares awarded was calculated using the closing share price on 2 October 2023, which was 103.8p.

The awards will vest subject to continued employment and a discretionary performance underpin assessed by the Committee prior to vesting. There is no threshold vesting level for the award.

Spotlight on approach to LTIP underpin and discretion

In accordance with the Directors' Remuneration Policy approved at the AGM in 2023, LTIP awards are time-based and vest subject to continued employment, though with a discretionary underpin.

Under the Policy, the default approach is that awards vest in full (subject to continued employment) – this is because the opportunity level of the LTIP represents a 50% discount to the previous performance-based LTIP to reflect that there are no formal performance conditions.

However, the awards are also subject to an underpin. The Committee will not set predetermined performance thresholds to consider when assessing the underpin, but will consider Company and individual performance over the three-year vesting period. This provides the Committee with the ability to take a comprehensive view of the Company's performance to ensure that the vesting level is appropriate and that there is no "reward for failure" and to consider the treatment of windfall gains.

The factors the Committee may consider when assessing the underpin include (but are not limited to):

- financial performance outcomes;
- share price performance since grant;
- major strategic or investment decisions and the returns on that investment; and
- environmental, social and governance performance insofar as it is relevant to strategy.

The Committee will disclose its assessment in the relevant Directors' Remuneration report following the vesting of the award.

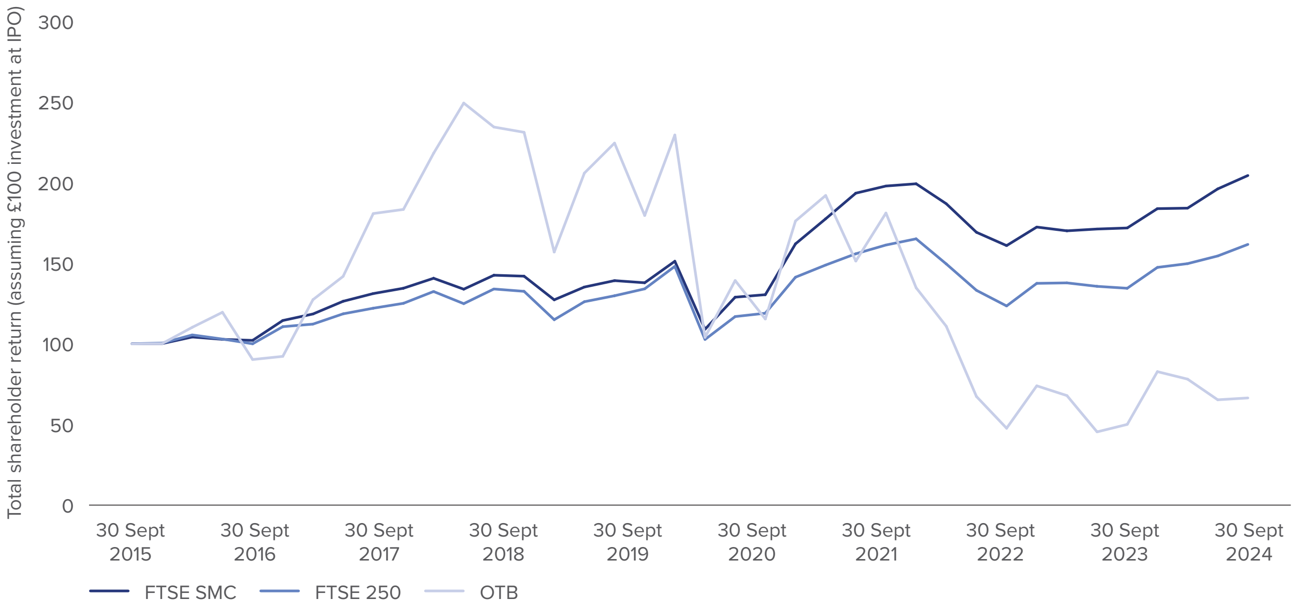
Other statutory remuneration disclosures continued

Payments to past Directors

There were no payments made to past Directors during FY24.

Comparison of overall performance and pay (TSR graph)

The graph below shows the value of £100 invested in the Company's shares since listing compared to both the FTSE 250 and FTSE Small Cap indices. These indices were chosen as they each reflect an index to which the Group has been a constituent since the IPO in 2015. The graph shows the Total Shareholder Return generated by both the movement in share value and the reinvestment over the same period of dividend income. This graph has been calculated in accordance with the Regulations. It should be noted that the Company listed on 28 September 2015 and, therefore, only has a listed share price for the period from 28 September 2015 to 30 September 2024.



Chief Executive Officer historical remuneration

The table below sets out the total remuneration delivered to the Chief Executive Officer since the IPO in 2015:

Chief Executive Officer[1]	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Single Figure (£000s)	131	239	201	316	305	89	210	392	527	**657**
Annual bonus payment level achieved (% of maximum opportunity)	–	27.8%	–	–	–	–	–	79.7%	61.1%	**22.0%**
LTIP vesting level achieved (% of maximum opportunity)	N/A	N/A	N/A	30%	22.9%	–	–	–	–	**37.5%**

1. Figures for 2015-2022 reflect Simon Cooper's remuneration, while figures for 2024 reflect Shaun Morton's remuneration. The 2023 figure is combined, as Simon Cooper stepped down as CEO on 30 June 2023, transitioning to a Non-Executive Founder Director role, and Shaun Morton being appointed CEO from that date.

It should be noted that the Company only introduced the LTIP on admission to the London Stock Exchange, with the first grant made in May 2016.

Change in Directors' remuneration compared with employees

The following table sets out the percentage change in the salary/fees, benefits and bonus for each Director from FY22 to FY24 compared with the average percentage change for employees.

	FY22			FY23			FY24		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Executive Directors									
Shaun Morton[1]	10%	–	100%	19%	–	2%	**35%**	**–**	**(52%)**
Jon Wormald[2]	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Zoe Harris[2]	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Non-Executive Directors									
Simon Cooper[1]	4%	–	100%	(17%)	–	(33%)	**n/a**	**n/a**	**n/a**
Richard Pennycook	–	–	–	8%	–	–	**3%**	**–**	**–**
David Kelly	–	–	–	(10%)	–	–	**(7%)**	**–**	**–**
Elaine O'Donnell	–	–	–	14%	–	–	**5%**	**–**	**–**
Justine Greening[3]	–			21%	–	–	**7%**	**–**	**–**
Veronica Sharma[2]	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Wider workforce									
Average employee – Group wide[4]	6%	–	100%	6%	–	98%	**6%**	**–**	**91%**

1. Simon Cooper stepped down as CEO on 30 June 2023 and transitioned to a Non-Executive Founder Director role and Shaun Morton was appointed as CEO from this date. This is reflected in the FY23 figures above.
2. Jon Wormald, Zoe Harris and Veronica Sharma were appointed to the Board during FY23 and therefore there is no % change.
3. Justine Greening was appointed to the Board during FY21 and therefore there was no % change prior to FY22.
4. Average employee percentage change is based on earnings of full time employees that were employed throughout the current and comparison period.

CEO pay ratio

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, we have set out below the ratio of CEO pay (based on single total figure of remuneration) to that of UK employees for FY20 to FY24. The calculation has been performed in line with "Option A" and is based on the total single figure of remuneration methodology.

Year	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023/24	**Option A**	**27:1**	**22:1**	**11:1**
2022/23	Option A	22:1	17:1	10:1
2021/22	Option A	18:1	10:1	7:1
2020/21	Option A	11:1	8:1	4:1
2019/20	Option A	5:1	3:1	2:1

We used "Option A" as we believe this is the most statistically robust method and is in line with the general preference of institutional shareholders. All figures are calculated using pay and benefits data for the financial year to 30 September 2024 for individuals employed as at the financial year end. The pay ratio has been calculated using the actual pay and benefits received in FY24. No elements of pay were omitted. Full-time equivalent figures were determined by up-rating relevant pay elements based on the average proportion of full-time hours the employee worked during the year and (for joiners during the year) the proportion of the year they were employed. Employees who left during the year were not included in the calculation.

The table below sets out the salary, and total pay and benefits, for each of the three quartile employees (P25, P50 and P75) for FY24.

	25th percentile (P25)	Median (P50)	75th percentile (P75)
Salary	£23,400	£28,974	£58,000
Total pay and benefits	£23,939	£30,051	£59,687

Other statutory remuneration disclosures continued

CEO pay ratio continued

The pay ratios have increased for FY24 due to the increase in the CEO remuneration package upon Shaun's appointment to the role in June FY23. FY24 includes the full year impact of this change.

The Committee believes that the median ratio is consistent with the pay, reward and progression policies for the Group's employees. Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. In reviewing the ratios the Committee also noted that the CEO's remuneration package is weighted more heavily towards variable pay (including the bonus and LTIP) than the wider workforce due to the nature of the role, and this means the ratio is likely to fluctuate depending on the performance of the business and associated outcomes of incentive plans in each year.

Relative importance of the spend on pay

The table below sets out the relative importance of spend on pay in the 2023 and 2024 financial years compared with other disbursements. All figures provided are taken from the relevant Company accounts.

Director	Disbursements from profit in 2023 financial year (£'m)	Disbursements from profit in 2024 financial year (£'m)	% change
Profit distributed by way of dividend	–	**1.5**	N/A
Overall spend on pay including Executive Directors	35.9	**30.2**	(16%)

Statement of Directors' shareholdings and share interests (audited)

Director	Share plan awards subject to performance conditions[2]	Share plan awards subject to continued employment[3]	Share plan interests vested but unexercised	Shares held outright[1]
Executive Directors				
Shaun Morton	214,961	908,008	0	133,089
Jon Wormald	0	455,817	73,274	7,406
Zoe Harris	118,111	771,830	167,347	43,258
Non-Executive Directors				
Simon Cooper (former Executive Director)	37,709	15,967	50,298	12,521,226
Richard Pennycook	0	0	0	48,267
David Kelly	0	0	0	10,258
Elaine O'Donnell	0	0	0	11,447
Justine Greening	0	0	0	3,636
Veronica Sharma	0	0	0	0

1. This information includes holdings of any connected persons.
2. These figures include the FY22 LTIP awards which are not due to vest until February 2025. The performance period for the Group TTV, Long Haul TTV and Classic TTV metrics ended 30 September 2024 with a vesting outcome of 37.5% out of a maximum 50%. The performance period for the TSR metrics ,which apply to the remaining 50%, will end on 25 February 2025, and although the outcome for these is expected to be nil, these elements of the award will not formally lapse until the end of the performance period.
3. These figures include the FY25 LTIP awards which were granted on 2 October 2024 and will vest on 2 October 2027 subject to continued employment.

Between 30 September 2024 and the date of this report, there were no changes in the Directors' shareholdings or share interests as shown above.

The table below sets out the current shareholding and includes the shareholding requirement for the Executive Directors:

	Shares held for purpose of shareholding requirement[1]			
Director	Shareholding requirement	Number of shares	% of salary[2]	Shareholding requirement met?[3]
Shaun Morton	200% of salary	614,333	197.8	No
Jon Wormald	200% of salary	287,824	148.7	No
Zoe Harris	200% of salary	541,022	224.4	Yes

1. Shares included for the purposes of measuring the shareholding requirement include shares owned outright (including those by connected persons), vested but unexercised share options and unvested shares subject to continued employment only (on a net of tax basis), including those granted on 2 October 2025.
2. The share price of 139.60p as at 30 September 2024 has been taken for the purpose of calculating the current shareholding as a percentage of salary.
3. Shaun Morton and Zoe Harris were appointed to the Board on 17 July 2020 and 14 October 2022, respectively, while Jon Wormald joined the Company on 30 June 2023. They each have five years from these dates to build up their shareholding requirements.

There were no share options exercised by Executive Directors during the year.

Shareholder voting at Annual General Meeting

The following table shows the results of the advisory vote on the 2024 Directors' Remuneration report (at the 2024 AGM) and the binding vote on the Directors' Remuneration Policy at the 2023 AGM:

Resolution	For	Against	Withheld
Ordinary resolution to approve the Directors' Remuneration Policy (2023 AGM)	96,639,341 (79.34%)	25,159,239 (20.66%)	787,639
Ordinary resolution to approve the Directors' Remuneration report (2024 AGM)	100,721,123 (92.78%)	7,840,165 (7.22%)	2,588,441

The Committee recognises that just over 20% of shareholders voted against the new Policy at the 2023 AGM. Whilst this means that the vast majority of our shareholders supported the Policy, the Committee engaged with shareholders again after the AGM to further understand their views. In anticipation of the Policy renewal at the 2026 AGM, we will be further engaging with shareholders over the year ahead to continue gathering their feedback.

Composition and terms of reference of the Remuneration Committee

The Board has delegated to the Remuneration Committee, under agreed terms of reference, responsibility for the Remuneration Policy and for determining specific packages for the Chairman, Executive Directors and such other senior employees of the Group as the Board may determine from time to time. The terms of reference for the Remuneration Committee are in line with the Code and are available on the Company's website, www.onthebeachgroupplc.com.

All members of the Remuneration Committee are independent Non-Executive Directors. David Kelly stepped down from the Committee on 27 September 2024 as he became non-independent on 28 September 2024. I would like to thank David for his nine years of service to this Committee, including seven years as Chair. The Remuneration Committee receives assistance from the CEO, CFO, Chief People Officer and Company Secretary, who attend meetings by invitation, except when issues relating to their own remuneration are being discussed. The Remuneration Committee met three times during FY24 and member attendance is set out below:

	Member from	Meetings attended
Elaine O'Donnell	July 2018	3/3
Richard Pennycook	April 2019	3/3
Justine Greening (Chair from 27 Jan 23)	March 2021	3/3
Veronica Sharma	September 2023	3/3

Other statutory remuneration disclosures continued

Alignment to Provision 40

Provision 40 of the UK Corporate Governance Code sets out a number of factors that remuneration committees should have regard to when determining executive remuneration. The table below sets out how the Committee has addressed these.

Provision 40 factor	How OTB addresses this
Clarity	• The remuneration arrangements for the Executive Directors are set out in a clear and simple way in the Directors' Remuneration Policy ("Policy") and in the plan rules for each incentive plan. Guides are accessible to participants to explain how each incentive plan operates to ensure full understanding. • The People team ensures that remuneration matters are clearly signposted and communicated via all-employee and manager forums and provide training for managers on how to have clear conversations on remuneration outcomes.
Simplicity	• The Group's remuneration arrangements are intentionally simple and well understood. Executive Directors (and senior leadership) receive fixed pay (salary, benefits, pension), and participate in a single short-term incentive and a single long-term incentive (the "LTIP"). • The Committee reviews the appropriateness of targets annually, being mindful of alignment with strategy.
Predictability	• At the time of approving the Policy full information on the potential values of the annual bonus and LTIP are provided, with strict maximum opportunities and minimum, target and maximum performance scenarios. An indication of the potential impact of a 50% share price appreciation on the value of LTIP awards is also included. • The FY24 annual bonus and LTIP award opportunities were in line with the maximum opportunity in the Policy. LTIP awards are made at the beginning of the financial year.
Risk	• The ability to mitigate potential risks is within the Policy. Examples include: – the Committee's discretionary powers to amend the formulaic outcome from incentive awards (for example, where not consistent with performance); – the inclusion of malus and clawback provisions under a wide range of potential scenarios; and – in-employment and post-employment shareholding requirements.
Proportionality	• Payments under the annual bonus require robust performance against challenging conditions over the financial year. For FY24, 70% of the annual bonus was based on financial measures (equally split between total transaction value and profit before tax, which are both KPIs). • Vesting of awards under the LTIP is subject to a discretionary underpin that considers overall performance over the vesting period. • The Committee considers the formulaic outcome, as well as other relevant factors, when making decisions on remuneration outcomes. Outcomes do not reward poor performance due to the Committee's overriding discretion to depart from formulaic outcomes which do not reflect underlying business performance.
Alignment to culture	• The Committee oversees consistent workforce reward principles and is satisfied that these policies drive the right behaviours and reinforce the Group's values, which in turn promote an appropriate culture. • The use of annual bonus deferral, LTIP holding periods and our shareholding requirements strengthen the focus on our strategic aims and ensure alignment with the interests and experiences of shareholders, both during and after employment.

Advisers to the Remuneration Committee

During the financial year, the Committee took advice from PricewaterhouseCoopers LLP ('PwC') who were retained as external independent remuneration advisers to the Committee.

During FY24, PwC advised the Company on market practice, corporate governance, performance target-setting, share schemes and other matters that the Committee was considering.

The Remuneration Committee is satisfied that the advice received was objective and independent and that all individuals who provided remuneration advice to the Committee have no connections with the Company or its Directors that may impair their independence. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees.

PwC received fees of £65,000 for their advice during the year to 30 September 2024, based on a fixed retainer plus additional fees charged on a time and expenses basis.

The Rt. Hon Justine Greening
Chair of the Remuneration Committee

2 December 2024

Directors' report

Statutory information

Information required to be part of the Directors' report can be found elsewhere in this document, as indicated in the table below and is incorporated into this report by reference:

Section of report	Page reference
Employee engagement	Pages 32, 36 to 37, 76 and 80
Employment of disabled persons	Page 39
Future developments of the business	Pages 12 to 16
Stakeholder engagement and s.172 statement	Pages 79 to 83
Viability statement	Pages 59 to 61
Directors' interests	Pages 66 to 68, 74
Directors' Responsibilities Statement	Page 125
Greenhouse gas emissions	Pages 45 and 47
Risk management	Pages 54 to 58
Human rights and anti-bribery and corruption	Page 52
Diversity	Page 39
Non-financial key performance indicators	Pages 21 to 23

Directors' report

All sections under the heading "Governance" on page 63 of this document comprise the Directors' report for On the Beach Group plc (company number 09736592) (the "Company") and its subsidiaries (together the "Group") for the financial year to 30 September 2024.

Strategic report

All sections under the heading "Strategic report" on page 1 of this document comprise the Strategic report. The Strategic report sets out the development and performance of the Group's business during the financial year, the position of the Group at the end of the year and a description of the principal risks and uncertainties (including the financial risk management position), which is set out on pages 54 to 58.

Management report

This Directors' report (pages 114 to 117) together with the Strategic report (pages 1 to 61) form the Management report for the purposes of DTR 4.1.8R.

UK Corporate Governance Code

The Company's statement with regards to its adoption of the UK Corporate Governance Code can be found in the Corporate Governance Statement on pages 70 to 78. The Corporate Governance Statement forms part of this Directors' report and is incorporated into it by reference.

Directors

The names of the directors who held office during the year are set out on pages 66 to 68. Biographical details of all the Directors serving at the date of this Annual Report are shown on pages 66 to 68. Subject to law and the Company's Articles of Association, the Directors may exercise all of the powers of the Company and may delegate their power and discretion to Committees.

Appointment and replacement of Directors

The appointment and replacement of Directors is governed by the Company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. The Directors may from time to time appoint one or more Directors. The Board may appoint any person to be a Director (so long as the number of Directors does not exceed the limit prescribed in the Articles). Under the Articles, any such Director shall hold office only until the next AGM and shall then be eligible for election. The Articles also require that at each AGM, any Director who held office at the time of the two preceding AGMs and who did not retire at either of them must retire, and any Director who has been in office, other than a Director holding an executive position, for a continuous period of nine years or more must retire from office. However, in accordance with previous years and in accordance with best practice, all Directors will submit themselves for re-election at the AGM each year. Any Director who retires at an AGM may offer themselves for reappointment by the shareholders.

All Directors will retire and stand for election or re-election at the 2025 AGM, except for David Kelly, who will step down ahead of the 2025 AGM.

Amendment of Articles of Association

The Company's Articles of Association ('Articles') may only be amended by way of a special resolution at a general meeting of the shareholders. No amendments are proposed to be made at the forthcoming Annual General Meeting.

Share capital and control

The Company's issued share capital comprises Ordinary Shares of £0.01 each, which are listed on the London Stock Exchange (LSE: OTB.L). The ISIN of the shares is GB00BYM1K758.

The issued share capital of the Company as at 30 September 2024 comprised 166,991,435 Ordinary Shares of £0.01 each. Further information regarding the Company's issued share capital can be found on page 129 of the financial statements. Details of the movements in issued share capital during the year are provided in note 21 to the Group's financial statements contained on page 158. All the information detailed in note 21 on page 158 forms part of this Directors' Report and is incorporated into it by reference.

At the Annual General Meeting of the Company held on 26 January 2024 the Directors were granted authority from shareholders to allot shares in the capital of the Company up to a maximum nominal amount of £1,111,041.61 (111,104,161 shares of £0.01 each), half of which amount may solely be used in connection with a pre-emptive rights issue. The Directors will seek to renew this authority at the 2025 AGM.

Authority to purchase own shares

The Company was authorised by shareholders at the last AGM to purchase, in the market, up to 16,665,624 shares (10% of issued share capital). No shares were bought back under this authority for the year ended 30 September 2024. However, the company announced an on-market share buyback programme on 3 December 2024 (the "Buyback Programme"). The current authority will expire at the conclusion of the 2025 AGM, at which a resolution will be proposed for its renewal. The Directors will only use this power to pursue the Buyback Programme after careful consideration, taking into account the financial resources of the Company, the Company's share price and future potential uses of capital. The Directors will also take into account the effects on earnings per share and the interests of shareholders generally.

Rights attaching to shares

All shares have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as set out in the Articles. Except in relation to dividends which have been declared and rights on a liquidation of the Company, the shareholders have no rights to share in the profits of the Company. The Company's shares are not redeemable. However, following any grant of authority from shareholders, the Company may purchase or contract to purchase any of the shares on or off market, subject to the Companies Act 2006 and the requirements of the Listing Rules.

No shareholder holds shares in the Company that carry special rights with regard to control of the Company. There are no shares relating to an employee share scheme that have rights with regard to control of the Company that are not exercisable directly and solely by the employees, other than in the case of the On the Beach SIP and the On the Beach LTIP, where share interests of a participant in such schemes can be exercised by the personal representatives of a deceased participant in accordance with the scheme rules.

Voting rights

Each Ordinary Share entitles the holder to vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on a poll and every member who is present in person or by proxy shall have one vote for every share of which they are a holder. The Articles provide a deadline for submission of proxy forms of not than less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. No member shall be entitled to vote at any general meeting either in person or by proxy, in respect of any share held by them, unless all amounts presently payable by them in respect of that share have been paid. Save as noted, there are no restrictions on voting rights nor any agreement that may result in such restrictions.

Restrictions on transfer of securities

The Articles do not contain any restrictions on the transfer of Ordinary Shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. Certain restrictions are also imposed by laws and regulations (such as insider trading and marketing requirements relating to close periods) and requirements of the Market Abuse Regulation and the Company's securities dealing code whereby all employees of the Company require approval to deal in the Company's securities.

Change of control

Save in respect of a provision of the Company's share schemes, which may cause options and awards granted to employees under such schemes to vest on takeover, there are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) because of a takeover bid.

The revolving credit facility contains customary prepayment, cancellation and default provisions including, if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control.

As the Group holds Air Travel Organiser's Licences, the ATOL Standard Terms will apply. Those terms include provisions on change of control.

Employee share schemes

The Company has three employee share schemes in place:

1. A HMRC-approved Share Incentive Plan ('SIP') to encourage wide employee share ownership and thereby align employees' interests with shareholders.
2. A Long-Term Incentive Plan ('LTIP') under which nil-cost share options are granted to Executive Directors, subject to continued employment.
3. A Save As You Earn Plan ('SAYE'), which is an all-employee savings-related share option plan. Although the SAYE was approved at the 2018 AGM, it has not yet been rolled out to employees and there are no immediate plans to do so.

Further details are provided in the Directors' Remuneration report on pages 102 and 104 to 105.

Annual General Meeting

The Annual General Meeting for 2025 will be held at 11 am on 25 February 2025 at the Company's headquarters at Aeroworks, 5 Adair Street, Manchester, M1 2NQ.

The Notice of Meeting, which sets out the resolutions to be proposed at the forthcoming AGM, specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM.

All proxy votes will be counted and the numbers for, against or withheld in relation to each resolution will be announced at the AGM and published on the Company's website.

Notifiable changes to substantial shareholdings

During the year, the Company has been notified, in accordance with Chapter 5 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules ('DTR5') of the following increases or decreases in significant interests in the issued Ordinary Share capital of the Company. Such notifications are published as an RNS and are also available on the Company's website (www.onthebeachgroupplc.com/investor-centre/rns).

The following figures represent the number of shares and how that translates to a percentage shareholding in the Company as at the date on which the change was notified. The holdings may have changed since notification but any further notification is not required until the next applicable threshold in DTR5 is crossed.

Please note there will be other shareholders with substantial shareholdings who are not listed below because their shareholdings have not increased above or decreased below a threshold during the year.

Name of shareholder	Number of shares	Nature of holding as per disclosure	Date of notification
Lombard Odier Asset Management (Europe) Limited	8,341,912	5.01%	9 November 2023
Lombard Odier Asset Management (Europe) Limited	8,195,225	4.92%	16 November 2023
Lombard Odier Asset Management (Europe) Limited	8,353,654	5.00%	27 June 2024
Lombard Odier Asset Management (Europe) Limited	8,267,249	4.95%	16 August 2024
Lombard Odier Asset Management (Europe) Limited	8,364,388	5.01%	3 September 2024

Between 3 September 2024 and the date of this report no further interests have been notified to the Company in accordance with DTR5.

A list of our substantial shareholders is available on our corporate website.

Transactions with related parties

There were no related party transactions during the year. See note 26 to the consolidated financial statements.

Indemnities and insurance

The Company maintains appropriate insurance to cover Directors' and officers' liability for itself and its subsidiaries. The Company also indemnifies the Directors under a qualifying indemnity for the purposes of section 236 of the Companies Act 2006 in the Articles. Such indemnities contain provisions that are permitted by the Director liability provisions of the Companies Act and the Company's Articles. Such indemnities were in force throughout the period under review and are in force as at the date of this report.

Save for the indemnities disclosed in this report, there are no other qualifying third-party indemnity provisions in force.

Research and development

Innovation, specifically in the customer proposition on the website, is a critical element of the strategy, and, therefore, of the future success of the Group. Accordingly, the majority of the Group's research and development expenditure is predominantly related to this area.

Financial instruments

Details of the financial risk management objectives and policies of the Group, including hedging policies and exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk are given on pages 159-165 in note 23 to the consolidated financial statements, and form part of this report by reference.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Charitable donations

The Group made charitable donations of £13,239 during the year.

Results and dividends

The Group's and Company's audited financial statements for the year are set out on pages 128–171.

Whilst the Group operates a highly cash generative business model, a majority of profits are reinvested in the business to support further growth.

In line with the Group's capital allocation policy, an interim dividend of 0.9p per share was paid in FY24 and the Board is recommending a final dividend of 2.1p in respect of FY24.

Information to be disclosed under UK Listing Rule 6.6.1R

Disclosures required by the FCA's UK Listing Rule 6.6.1R can be found on the following pages:

Information required	Subsection of LR6.6.1R	Page reference
Details of long-term incentive schemes	(4)	Page 102

Save as set out above, there is no other information to disclose in relation to the provisions of UK Listing Rule 6.6.1R.

Auditor

The auditor, Ernst & Young LLP, is willing to continue in office and a resolution for its reappointment as auditor of the Company will be submitted to the AGM.

Disclosure of information to the auditor

Each of the Directors has confirmed that:

i. so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

ii. the Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approval of the Annual Report

The Strategic report and Corporate Governance report were approved by the Board on 2 December 2024.

Approved by the Board and signed on its behalf:

K Vickerstaff
Company Secretary

2 December 2024

Opinion

In our opinion:

- On the Beach Group plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of On the Beach Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise:

Group	Parent company
Consolidated Income Statement and Statement of Comprehensive Income for the year then ended	Balance sheet as at 30 September 2024
Consolidated Balance Sheet as at 30 September 2024	Statement of changes in equity for the year then ended
Consolidated Statement of Cash Flows for the year then ended	Related notes 1 to 9 to the financial statements including a summary of significant accounting policies
Consolidated Statement of Changes in Equity for the year then ended	
Related notes 1 to 27 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 as applied to listed public interest 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment, including the cash flow forecasts and covenant calculations for the going concern period which covers the period to 31 March 2026. Management have modelled a base scenario and a number of downside scenarios in the cash flow forecasts and covenant calculations in order to incorporate unexpected changes to the forecasted liquidity of the Group.

  The downside scenario considered a severe but plausible reduction in booking levels. In this scenario the Group continues to have sufficient liquidity and headroom on its covenants.

- Challenging the significant assumptions underpinning the Group's forecasts for the going concern period. Our challenge was particularly focused around the consideration of current macro-economic factors and the growth assumptions used. We also verified whether the Group's forecasts in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including impairment.
- Verifying the credit facilities available to the Group including the £85m revolving credit facility of which £85m is available until July 2025 and £60m is available until December 2027.
- Testing the clerical accuracy and the appropriateness of the model used to prepare the Group's going concern assessment.
- Assessing the appropriateness of the Group's disclosure concerning the going concern basis of preparation.

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 31 March 2026 from when the financial statements are authorised for issue.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of nine components. • The components where we performed full audit procedures accounted for 100% of Profit before tax adjusted for the impact of exceptional items, 100% of Revenue and 100% of Total assets.
Key audit matters	• Revenue recognition - risk of management override through journals made to revenue outside of the standard booking process. • Website development costs - risk that management inappropriately capitalise costs in relation to the website development team in order to improve the financial results for the period.
Materiality	• Overall Group materiality of £1,175k which represents 5% of profit before tax adjusted for the impact of exceptional items and loss on discontinued operations.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls and changes in the business environment when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the nine reporting components of the Group, all are UK registered companies and represent the principal business units within the Group.

Of the nine components selected, we performed an audit of the complete financial information of all components ("full scope components") which were selected based on their size or risk characteristics.

Climate change

Stakeholders are increasingly interested in how climate change will impact On the Beach Group plc. The Group has determined that the most significant future impacts from climate change on its operations will be in the form of physical risks. These are explained on pages 48 to 51 in the required Task Force for Climate related Financial Disclosures and on pages 55 to 58 in the principal risks and uncertainties which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 48 to 51 have been appropriately reflected in the carrying value of goodwill, intangible assets, property plant and equipment and deferred tax assets following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition (FY24 - £128.2m*, FY23 - £112.1m) *Refer to the Audit Committee Report (page 90); Accounting policies (page 135); and Note 4 of the Consolidated Financial Statements (page 141)* Given the high volume, low value nature of the revenue transactions in the business, we have determined the revenue recognition risk to be related to management override through journals made to revenue outside of the standard booking process throughout the year. For the On the Beach 'OTB' and new 'Classic Collection' segment the revenue is reported on an agent basis (net) and the risk is therefore also applicable to gross costs. For the former CCH segment (now discontinued as presented in note 10), revenue is reported on a principal basis (gross) and the risk therefore only applies to gross revenue. * Our procedures also include £46.6m of gross revenue relating to CCH that is presented as a discontinued operation (note 10).	We have performed the following procedures: • Assessed the design and implementation of the key controls over revenue recognition for all trading entities within the Group. • Tested, to supporting evidence, all material journal entries impacting on net revenue which fell outside of the standard booking process for evidence of management override. • Adopted a data analytics approach to corroborate our expectation of the relationship between gross revenue, trade receivables and cash receipts (all segments) and gross costs, trade payables and cash payments (OTB & Classic Collection) in relation to the standard booking process. Any exceptions to our expectations above our testing threshold have been substantively tested.	Our procedures did not identify any instances of management override in the recognition of revenue or evidence of material misstatements across the Group in the financial year.
Capitalisation of website & development costs (FY24 - £10.3m, FY23 - £12.0m) *Refer to the Audit Committee Report (page 90); Accounting policies (page 136); and Note 12 of the Consolidated Financial Statements (page 150)* There is a risk that management inappropriately capitalise costs in relation to the website development team in order to improve the financial results for the period. Judgement is involved in determining whether future economic benefit will be generated from the projects capitalised and a risk that management could override inputs in these assessments.	We have performed the following procedures: • Assessed the design and implementation of the key controls over the capitalisation of website development costs across the Group. • Obtained a breakdown by project of all website development costs capitalised in the period. From this breakdown, we selected a sample of projects for further testing and for each project we: – Obtained an understanding and related support for management's evaluation of how the project satisfies the requirements of 'IAS 38 Intangible Assets' to be capitalised. – Held interviews with a number of IT developers to understand a) the nature and responsibilities associated with their role and b) the nature of the projects they had been working on in the period. We utilised this information to assess the appropriateness of capitalisation in line with the accounting standard requirements and management's accounting treatment. – We performed an independent assessment of the potential future economic benefits expected to be obtained from each project in our sample to identify any contradictory indicators that could imply the project has been treated incorrectly by management.	Based on our procedures we are satisfied that the judgements applied by management in relation to the capitalisation of website & development costs are appropriate.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £1,175k (2023: £820k), which is 5% (2023: 5%) of profit before tax adjusted for the impact of exceptional items and loss on discontinued operations. We believe that profit before tax adjusted for the impact of exceptional items continues to provide an appropriateness basis for planning materiality given the focus of stakeholders and users of the financial statements being on profitability of the Group and ability of the Group to pay dividends.

STARTING BASICS	**Profit before tax** **£26.5m**
ADJUSTMENTS	• Deduct £0.4m relating to exceptional items net credit • Deduct £2.6m loss on discontinued operations (£7.2m discontinued operation loss less £4.6m impairment charge deemed 'exceptional' in nature)
MATERIALITY	• Totals £23.5m profit before tax adjusted for the impact of exceptional items and loss on discontinued operations • Materiality at 5% equating to £1,175k

We determined materiality for the Parent Company to be £5,500k (2023: £5,400k), which is 2% (2023: 2%) of equity. Our materiality for the parent company is capped at £1,305k (2023: £820k).

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £881k (2023: £615k). We have set performance materiality at this level based on an expectation of a low level of audit differences.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £58k (2023: £41k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 2–125 & 171–178, 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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 61;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 59–61;
- Directors' statement on fair, balanced and understandable set out on page 91;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 54;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 54; and;
- The section describing the work of the audit committee set out on page 89–90.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 125, 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 and 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.

Independent auditor's report to the members of On the Beach Group plc

continued

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 company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are UK adopted international accounting standards, FRS 102, the Companies Act 2006, the Listing Rules, UK Corporate Governance Code and The Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012.
- We understood how On the Beach Group plc is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board and committee minutes, papers provided to the Audit Committee and discussions with the Audit Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing higher risk journals and were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on consolidation journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of Legal Counsel, Group management and focused testing, as referred to in the key audit matters section above. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2016.

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.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company on 7 March 2019 to audit the financial statements for the year ending 30 September 2019 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 6 years, covering the years ending 30 September 2019 to 30 September 2024.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

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.

Jonathan Gill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

2 December 2024

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102').

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and in respect of the Parent Company financial statements, Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the Parent Company financial statements, FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 (and IFRSs adopted pursuant to Regulation(EC) No 1606/2002 as it applies in the European Union) have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Parent Company financial statements, state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

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

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

Directors' responsibility statement

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Parent Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Jon Wormald
Chief Financial Officer

2 December 2024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FINANCIAL STATEMENTS

Content

Consolidated Income Statement and Statement of Comprehensive Income

YEAR ENDED 30 SEPTEMBER 2024

Year ended 30 September 2024	Note	2024 £m	Restated** 2023 £m
Revenue	4	**128.2**	112.1
Cost of sales		**(4.8)**	(3.7)
Expected credit losses	15	**(1.7)**	(2.0)
Gross profit		**121.7**	106.4
Administrative expenses	6	**(100.5)**	(94.4)
Group operating profit		**21.2**	12.0
Finance costs	8	**(2.4)**	(1.5)
Finance income	8	**7.7**	3.9
Net finance income		**5.3**	2.4
Profit before taxation		**26.5**	14.4
Taxation	9	**(6.3)**	(2.5)
Profit from continuing operations		**20.2**	11.9
Loss from discontinued operations	10	**(7.2)**	(1.8)
Profit for the year		**13.0**	10.1
Other comprehensive income that may be reclassified to the P&L:			
Net loss on cash flow hedges		**–**	(0.6)
Net gain on fair value hedges		**0.4**	0.7
Total comprehensive income for the year		**13.4**	10.2
Attributable to equity holders of the parent			
Profit from continuing operations		**20.2**	11.9
Loss from discontinued operations	10	**(7.2)**	(1.8)
Other comprehensive income		**0.4**	0.1
Total comprehensive income for the year		**13.4**	10.2
Basic and diluted earnings per share from continuing operations attributable to the equity shareholders of the Company:			
Basic earnings per share	11	**12.1p**	7.2p
Diluted earnings per share	11	**11.9p**	7.1p
Adjusted basic earnings per share*	11	**14.1p**	12.0p
Adjusted diluted earnings per share*	11	**13.9p**	12.0p
Basic and diluted earnings per share from total operations attributable to the equity shareholders of the Company:			
Basic earnings per share	11	**7.8p**	6.1p
Diluted earnings per share	11	**7.7p**	6.0p
Adjusted profit measure*			
Adjusted PBT (before amortisation of acquired intangibles, exceptional items and share-based payments)*	6	**31.0**	24.8

* This is a non-GAAP measure, refer to notes. This is a non-GAAP measure, refer to notes listed above.

** The prior period is restated for the effects of discontinued operations (see note 10).

Consolidated Balance Sheet

AT 30 SEPTEMBER 2024

	Note	2024 £m	2023 £m
Assets			
Non-current assets			
Intangible assets	12	**66.2**	73.7
Property, plant and equipment	13	**3.6**	8.3
Deferred tax	20	**–**	2.6
Trust account	16	**0.4**	–
Total non-current assets		**70.2**	84.6
Current assets			
Trade and other receivables	15	**188.4**	165.3
Derivative financial instruments	23	**–**	0.9
Trust account	16	**139.1**	108.6
Cash at bank		**96.2**	75.8
Total current assets		**423.7**	350.6
Assets held for sale	10	**2.0**	–
Total assets		**495.9**	435.2
Equity			
Share capital	21	**1.7**	1.7
Share premium	22	**89.6**	89.6
Retained earnings	22	**220.2**	205.9
Capital contribution reserve	22	**0.5**	0.5
Merger reserve	22	**(129.5)**	(129.5)
Total equity		**182.5**	168.2
Non-current liabilities			
Trade and other payables	17	**2.1**	2.6
Deferred tax	20	**0.4**	–
Total non-current liabilities		**2.5**	2.6
Current liabilities			
Corporation tax payable		**0.9**	1.7
Trade and other payables	17	**304.3**	261.2
Provisions	17	**0.4**	0.4
Derivative financial instruments	23	**5.3**	1.1
Total current liabilities		**310.9**	264.4
Total liabilities		**313.4**	267.0
Total equity and liabilities		**495.9**	435.2

The financial statements from pages 128 to 167 were approved by the Board of Directors and authorised for issue.

Jon Wormald
Chief Financial Officer

2 December 2024

On the Beach Group plc. Reg no 09736592

The notes on pages 132 to 167 form part of the financial statements.

Consolidated Statement of Cash Flows

AT 30 SEPTEMBER 2024

	Note	2024 £m	Restated* 2023 £m
Profit/(loss) before taxation			
From continuing operations		**26.5**	14.4
From discontinued operations	10	**(7.2)**	(2.0)
Adjustments for:			
Depreciation	13	**2.1**	2.7
Amortisation of intangible assets	12	**13.0**	12.6
Finance costs	8	**2.4**	1.5
Finance income	8	**(7.7)**	(4.1)
Loss on goodwill for discontinued operations	10	**4.6**	–
Loss on disposal of intangible assets	12	**0.2**	–
Loss on disposal of property, plant and equipment	13	**0.6**	–
Share-based payments	24	**2.3**	1.2
Impact of unrealised foreign exchange differences		**(1.7)**	–
		35.1	26.3
Changes in working capital:			
Increase in trade and other receivables	15	**(22.3)**	(39.9)
Increase in trade and other payables	17	**48.9**	75.0
Increase in trust account		**(30.9)**	(39.2)
		(4.3)	(4.1)
Cash flows from operating activities			
Cash used in operating activities		**30.8**	22.2
Tax paid		**(3.9)**	(0.2)
Net cash inflow from operating activities		**26.9**	22.0
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**–**	(0.1)
Proceeds from disposal of assets		**–**	0.1
Purchase of intangible assets	12	**(0.1)**	–
Development expenditure	12	**(10.2)**	(12.0)
Interest received	8	**7.7**	4.1
Net cash outflow from investing activities		**(2.6)**	(7.9)
Cash flows from financing activities			
Equity dividends paid		**(1.5)**	–
Interest paid on borrowings	8	**(2.3)**	(1.3)
Payment of lease liabilities	18	**(1.8)**	(1.5)
Net cash outflow from financing activities		**(5.6)**	(2.8)
Impact of unrealised foreign exchange differences		**1.7**	–
Net increase in cash at bank and in hand		**18.7**	11.3
Cash at bank and in hand at beginning of year		**75.8**	64.5
Cash at bank and in hand at end of year		**96.2**	75.8

* The prior period is restated for the effects of discontinued operations (see note 10).

The notes on pages 132 to 167 form part of the financial statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 SEPTEMBER 2024

	Share capital £m	Share premium £m	Merger reserve £m	Capital contribution reserve £m	Retained earnings £m	Total £m
Balance at 30 September 2022	1.7	89.6	(129.5)	0.5	194.5	156.8
Share-based charge including tax	–	–	–	–	1.2	1.2
Total comprehensive income for the year	–	–	–	–	10.2	10.2
Balance at 30 September 2023	1.7	89.6	(129.5)	0.5	205.9	168.2
Share-based charge including tax	**–**	**–**	**–**	**–**	**2.4**	**2.4**
Dividends	**–**	**–**	**–**	**–**	**(1.5)**	**(1.5)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**13.4**	**13.4**
Balance at 30 September 2024	**1.7**	**89.6**	**(129.5)**	**0.5**	**220.2**	**182.5**

The notes on pages 132 to 167 form part of these financial statements.

1 General information

On the Beach Group plc is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 180.

2 Accounting policies

a) Basis of preparation

The consolidated financial statements presented in this document have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ('FRS 102') and as applied in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

These financial statements are presented in pounds sterling (£m) because that is the currency of the primary economic environment in which the Group operates.

b) Going concern

The Group covers its daily working capital requirements by means of cash and Revolving Credit Facility ('RCF'). On 7 December 2023, the Group refinanced its credit facilities with Lloyds Bank and NatWest. This included cancelling its current facility of £50m and CLBILS facility of £25m and entering into a new facility for £60m expiring in December 2025. The facility agreement included the option for two one-year extensions, both of which have now been exercised. The revised expiry date is therefore December 2027. In January 2024, the facility was increased by £25m until July 2025. The RCF has financial covenants in place which are tested quarterly.

As at 30 September 2024 Group cash (excluding cash held in trust which is ringfenced and not factored into the going concern assessment) was £96.2m (30 September 2023: £75.8m).

Cash received from customers for bookings that have not yet travelled is held in a ring-fenced trust account and is not withdrawn until the customer returns from their holiday, or the booking is cancelled and refunded. All withdrawals from the Trust account are approved by our Trustees and the Civil Aviation Authority. Cash held in trust at 30 September 2024 was £139.5m (30 September 2023: £108.6m).

The Directors have assessed a going concern period through to 31 March 2026 and have modelled a number of scenarios considering factors such as airline resilience, cost of living, inflation, interest rates and customer behaviour/demand. The Group has performed an assessment of the impact of climate risk, as part of the Director's assessment of the Group's ability to continue as a going concern. Detail of the Group's assessment of the impact of climate risk is provided within the 'Here for the planet' section of this report.

The Directors have modelled a reasonably possible downside scenario to sensitise the base case as a result of major airline failure (two airlines, modelled separately). In both of these scenarios the Directors have assessed the impact to cash and revenue in an environment where bookings are 100% lower than forecasted for three months followed by a 50% reduction for the remaining going concern period; although profitability would be affected, the Group would be able to continue operating.

In addition, the Directors have modelled sensitivity analysis on both average booking values and booking volumes separately, as well as a reverse stress test, though the outcome is considered to be remote. Although in each of these scenarios profitability would be affected, the Group would be able to continue operating with sufficient liquidity and headroom on covenants.

Given the assumptions above, the mitigating actions available and within the Group's control, the Directors remain confident that the Group continue to operate in an agile way adapting to any continued travel disruption. Therefore, it is considered appropriate to continue to adopt the going concern basis in preparing these financial statements.

c) New standards, amendments and interpretations

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023; the following amended standards have been implemented, however, they have not had a significant impact on the Group's consolidated financial statements:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Interpretations of IFRS 8 Operating Segments – Paragraph 23

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 introduced a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. The Group has applied the temporary exception in the Group's consolidated financial statements, the impact of which is not material.

Standards issued but not yet effective

Certain new financial reporting standards, amendments and interpretations have been published that are not mandatory for the 30 September 2024 reporting period, and have not been early adopted by the Group. The Group is currently assessing the impact of the following standards, amendments and interpretations:

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 7 and IFRS 7 – Supplier finance

- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

d) Climate-related matters

The Group considers climate-related matters in estimates and assumptions where appropriate, which includes areas such as:

- Impairment of non-financial assets: The value in use may be impacted by the changes in climate-related regulations or a change in the demand of certain holiday destinations as a result of extreme weather or natural disasters.
- Deferred tax asset recoverability: The forecasts used in assessing whether the Group has sufficient future taxable income could be impacted by climate-related regulation or change in consumer demand for travelling abroad.
- Going concern: When forecasting future expected cashflows, the primary climate-related risk is extreme heat/weather due to wildfires, flooding or other extreme weather events in holiday destinations. While other risks have not materialised in the short term, we will continue to monitor them closely.

The Group's business model allows for flexibility, through being asset light, which means the Group can respond quickly to changes in customer demand for certain locations. The Group is closely monitoring changes and developments in both climate-related legislation and extreme weather events.

e) Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Additional disclosures are provided in note 10. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

f) Basis of consolidation

The Group's consolidated financial statements consolidate the financial statements of On the Beach Group plc and all of its subsidiary undertakings.

i. Subsidiaries are entities controlled by the Company

Control exists when the Company has power over the investee, the Company is exposed, or has rights to variable returns from its involvement with the subsidiary and the Company has the ability to use its power of the investee to affect the amount of investor's returns.

ii. Transactions eliminated on consolidation

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information. Gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

g) Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and trade and assets represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently remeasured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the purposes of impairment testing, goodwill is allocated to the cash generating units expected to benefit from the combination. If the recoverable amount is less than the carrying amount of the unit, the impairment loss is allocated to first reduce the amount of goodwill allocated to the unit and then the other assets in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

h) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the income statement.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss. In order for a financial asset to be classified and measured at amortised cost, the financial asset is under a "hold to collect" business model and it needs to give rise to cash flows that are "solely payments of principal and interest" ('SPPI') on the principal amount outstanding. The Group considers financial asset in default when contractual payments are 90 days past due.

2 Accounting policies continued

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. An expected credit loss is calculated using a provision matrix which is initially based on the Group's historical observed default rates that is calibrated for changes in the forward-looking estimates.

Cash at bank

Cash at bank comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash at bank.

Trust account

All ATOL protected customer monies are held in a trust account until after the provision of the holiday service. The trust account is governed by a deed between the Group, the Civil Aviation Authority Air Travel Trustees and independent trustees (Travel Trust Services Limited), which determines the inflows and outflows from the account.

All ATOL protected customer receipts are paid into the trust account in full before the holiday departure date. These payments are held in the trust account until the service is provided - for flights on payment to the supplier and for hotels and ancillaries on the customer's return from holiday. The Group therefore does not use customer prepayments to fund its business operations. Due to the restrictions on accessing the funds in the trust account, customer monies held in the trust account are presented separately to cash at bank.

Cash flows in respect of the trust account are presented as operating cash flows on the basis that they are linked to the Group's revenue-producing activities as an online travel agent.

ii. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Trade and other payables

Trade and other payables are recognised initially at fair value and net of directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate ('EIR') amortisation process.

Revolving credit facility ('RCF')

Borrowings from the RCF are recognised initially at fair value and net of directly attributable transaction costs. After initial recognition, the RCF is subsequently measured at amortised cost using the EIR method.

iii. Derivative financial instruments, including hedge accounting

The Group enters into forward foreign exchange contracts to manage exposure to foreign exchange rate risk of trade payables.

Additionally, the Group acquired interest rate swaps in order to hedge the interest rate risk associated with the interest received on the Trust account. The movement associated with this is recognised within finance income in the income statement.

Further details of these derivative financial instruments are disclosed in note 23 of these financial statements. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Fair value hedges

All derivative financial instruments are assessed against the hedge accounting criteria set out in IFRS 9.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, the Group elects to identify the spot-element of forward contracts as the hedging instrument.

The documentation also identifies the hedged item, the risk management objectives and strategy in understanding the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value of the respective hedged items attributable to the hedged risk.

Derivatives are initially recognised at the fair value on the date a derivative contract is entered into and are subsequently remeasured at each reporting date at their fair value. The change in the fair value of the hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense. The change in the fair value of the forward element of the forward contracts is recognised in other comprehensive income.

Cash flow hedges

For derivatives that are designated as cash flow hedges and where the hedge accounting criteria are met, the effective portion of changes in the fair value is recognised in other comprehensive income. For the Group the is the interest rate swaps. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of finance costs. Amounts accumulated in equity are recognised in profit or loss when the income or expense on the hedged item is recognised in profit or loss.

j) Segment reporting

IFRS 8 requires operating segments to be reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management team, including the Chief Executive Officer and Chief Financial Officer. For management purposes, the Group is organised into segments based on the nature of products and services, and information is provided to the management team on these segments for the purposes of resource allocation and segment performance management and monitoring.

In the year, Classic Collection Holidays Limited discontinued its website, vacated the property used for operations, and made a number of redundancies, transferring all remaining assets to Classic Package Holidays Limited. Classic Package Holidays Limited is still considered to be a single operating segment following this transfer. Classic Package Holidays Limited has since been renamed Classic Collection Holdings Limited, and is referred to throughout as "Classic Collection". See note 10 for details of discontinued operations.

The management team considers there to be two reportable segments:

(i) **"OTB"** – activity via UK websites as a B2C trader (www.onthebeach.co.uk, www.sunshine.co.uk and www.onthebeachtransfers.co.uk)

(ii) **"Classic Collection"** – activity via the Classic Collection online business to business portal as a B2B trader (www.classiccollection.co.uk)

k) Revenue recognition

IFRS 15 Revenue from Contracts with Customers is a principle-based model of recognising revenue from customer contracts. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer. The standard requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The following paragraphs describes the types of contracts, when performance obligations are satisfied, and the timing of revenue recognition. Further details of the disaggregation of revenue are disclosed in note 4 of these financial statements.

As agent:

The Group acts as agent when it is not the primary party responsible for providing the components that make up the customer's booking and it does not control the components before they are transferred to customers. Revenue comprises the fair value of the consideration received or receivable in the form of commission. Service fees/commissions are earned through purchases from customers of travel products such as flight tickets or hotel accommodation from third-party suppliers. Revenue in the form of commission or service fees is recognised when the performance obligation of arranging and facilitating the customer to enter into individual contracts with suppliers is satisfied, usually on delivery of the booking confirmation.

Given the level of cancellations the Group has experienced, the commission is considered to represent variable consideration and the transaction price of commission income determined using the expected value method, such that revenue is recognised only to the extent that it is highly probable that there will not be a significant reversal of revenue recognised in future periods. The sum of the range of probabilities of cancellations in different scenarios based on historical trends and best estimate of future expectations is used to calculate the extent to which the variable consideration is reduced and a corresponding refund liability (presented as a cancellation provision) recognised in provisions. See note 17 for more information.

Revenue earned from sales through the OTB segment are stated net. Revenue earned from sales through Classic Collection are stated net, with the commission payable to agents recognised in the cost of sales.

As principal:

The Group acts as principal when it is the primary party responsible for providing the components that make up the customer's booking and it controls the components before transferring to the customer.

Revenue represents amounts received or receivable for the sale of package holidays and other services supplied to the customers. Revenue is recognised when the performance obligation of delivering an integrated package holiday is satisfied, usually over the duration of the holiday.

Revenue is stated net of discounts, rebates, refunds and value added tax.

Following the cessation of operations for Classic Collection Holidays on 30 September 2024, all principal revenue for the year is recognised within discontinued operations, see note 10 for more details.

l) Override income

The Group has agreements with suppliers which give rise to rebate income. This income relates to segments where revenue is accounted for on an agent basis, therefore the income received from suppliers relates to reduction in cost of sales (corresponding increase in commission received), and as such is considered part of the Group's net revenue, for the year ended 30 September 2024 override income was £8.5m (FY23: £5.5m). The Group has some agreements whereby receipt of the income is conditional on the Group achieving agreed volume targets.

For agreements not linked to volume targets, override income is recognised when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract, which is usually once the booking has been confirmed with the supplier.

2 Accounting policies continued

For agreements where volume targets are in place, income is recognised once the target has been achieved. For volume targets which span the year end, the Group is required to make estimates in determining the amount and timing of recognition of override. In determining the amount of volume-related allowances recognised in any period, management estimate the probability that the Group will meet contractual target volumes, based on current and forecast performance.

Amounts due but not yet recovered relating to override income are recognised within trade and other receivables.

m) Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

n) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Fixtures, fittings and equipment	3–10 years
Buildings freehold	50 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in administrative expenses.

o) Intangible assets

i. Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred. Expenditure on development activities directly attributable to the design and testing of identifiable and unique software products are capitalised if the product or process meet the following criteria:

- the completion of the development is technically and commercially feasible to complete;
- adequate technical resources are sufficiently available to complete development;
- it can be demonstrated that future economic benefits are probable; and
- the expenditure attributable to the development can be measured reliably.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Directly attributable costs that are capitalised as part of the software product, website or system include employee costs. Other development expenditures that do not meet these criteria as well as ongoing maintenance are recognised as an expense as incurred.

Development costs for software, websites and systems are carried at cost less accumulated amortisation and are amortised over their useful lives (not exceeding three years) at the point in which they come into use.

ii. Software licences and domain names

Acquired intangible assets are capitalised at the cost necessary to bring the asset to its working condition. The Group has applied the guidance published by the IFRS Interpretations Committee ('IFRIC') in respect of cloud computing arrangements. The guidance requires that cloud computing arrangements are reviewed to determine if they are within the scope of IAS 38 Intangible Assets, IFRS 16 Leases, or a service contract. This is to determine if the Group has control of the software intangible asset. Control is assumed if the Group has the right to take possession of the software and run it on its own or a third party's computer infrastructure or if the Group has exclusive rights to use the software whereby the supplier cannot make the software available to other customers.

Costs for software licences and domain names are carried at cost less accumulated amortisation and are amortised over their useful lives at the point in which they come into use.

iii. Brand

Upon acquisition of the Group, the On the Beach brand was identified as a separately identifiable asset. Acquisitions of Sunshine.co.uk and Classic Collection Holidays Limited resulted in the brand of each being identified and recognised separately from goodwill at fair value.

iv. Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Website technology:	10 years
Website & development costs:	3 years
Brand:	10–15 years
Agent relationships:	15 years
Customer relationships:	5 years

v. Customer and agent relationships

Upon the acquisition of Classic Collection Holidays Limited, customer relationships were identified as a separately identifiable assets. Classic Collection's revenue is driven by a very high volume of repeat customers due to its bespoke holiday packages and the target market. Repeat customers are from two broad segments - independent travel agents and direct customers and individuals booking directly. There is a defined margin and attrition profile differential between the two customer groups and as such two separate assets were identified.

p) Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell.

Goodwill is required to be tested for impairment annually, or more frequently where there is an indication that the goodwill may be impaired. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generating units, or ('CGU').

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a prorata basis.

q) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (ie, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	10 years
IT equipment	3–5 years

The right-of-use assets are also subject to impairment. The Group's right-of-use assets are included as a separate category in property, plant and equipment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg, changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in trade and other payables.

2 Accounting policies continued

r) Employee benefits

i. Pension scheme

The Group operates a defined contribution pension scheme. A defined contribution scheme is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the years during which services are rendered by employees.

ii. Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 24.

That cost is recognised in employee benefits expense (note 7a), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in note 11).

s) Financing income and expenses

Financing expenses comprises interest payable and interest on lease liabilities recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprises interest receivable on funds invested. Finance income is shown net of movements in the interest rate swaps held.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

t) Exceptional items

Exceptional items are material items of income and expense which, because of the nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior years and to assess better trends in financial performance.

u) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

w) Share premium and other reserves

The amount subscribed for the Ordinary Shares in excess of the nominal value of these new shares is recorded in “share premium”. The amount subscribed for the preference shares in excess of the nominal value of these new preference shares is recorded in “other reserves”.

Costs that directly relate to the issue of Ordinary Shares are deducted from share premium net of corporation tax.

The merger reserve represents the amount subscribed for the Ordinary Shares in excess of the nominal value of the shares issued in exchange for the acquisition of subsidiaries.

x) Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its Ordinary Shares. Basic EPS is calculated by dividing the profit attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the period. For diluted EPS, the weighted average number of Ordinary Shares is adjusted to assume conversion of all dilutive potential Ordinary Shares.

y) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

z) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Group recognises a refund liability (presented as a cancellation provision) for the commission that is considered to represent variable consideration due to the risk that a booking may be cancelled (see note 2k).

aa) Non-statutory measures

One of the Group’s KPIs is adjusted profit before tax. When reviewing profitability, the Directors use an adjusted profit before taxation ('PBT') in order to give a meaningful year-on-year comparison. Whilst we recognise that the measure is an alternative (non-Generally Accepted Accounting Principles ('non-GAAP')) performance measure which is also not defined within IFRS, this measure is important and should be considered alongside the IFRS measures.

Adjusted PBT is calculated by adjusting for material items of income and expenditure where because of the nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders a better understanding of the financial performance in the period. These adjustments include amortisation of acquired intangibles and exceptional items. In addition, share-based payments charge is excluded in order to provide comparability to prior periods due to fluctuations in the charge.

3 Critical accounting estimates and judgements

The Group’s accounting policies have been set by management. The application of these accounting policies to specific scenarios requires reasonable estimates and assumptions to be made concerning the future. These are continually evaluated based on historical experience and expectations of future events.
The resulting accounting estimates will, by definition, seldom equal the related actual results. Under IFRS, estimates or judgements are considered critical where they involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities from period to period.

This may be because the estimate or judgement involves matters which are highly uncertain or because different estimation methods or assumptions could reasonably have been used.

Critical accounting judgements

Revenue from contracts with customers

The Group applied the following key judgements on the agent vs principal status of each segment as well as the number of performance objections in each.

Agent vs principal

Determining whether an entity is acting as a principal or as an agent requires judgement and has a significant effect on the timing and amount (gross or net basis) of revenue by the Group. As an agent, revenue is recognised at the point of booking on a net basis. As a principal, revenue is recognised on a gross basis over the duration of the holiday.

In accordance with IFRS 15, revenue for the OTB and Classic Collection segments is recognised as an agent on the basis that the performance obligation is to arrange for another entity to provide the goods or services. This assessment has given consideration that there is no inventory risk and limited discretion in establishing prices.

3 Critical accounting estimates and judgements continued

Performance obligations

Revenue in the OTB and Classic Collection segments is recognised based on there being a single performance obligation to at the point of booking. This is to arrange and facilitate the customer entering into individual contracts with principal suppliers providing holiday related services including flights, hotels and transfers. For the OTB and Classic Collection segments, there is not a significant integration service and responsibility for providing the services remains with the principal suppliers.

The Group has concluded that under IFRS 15 for revenue in the former CCH segment, a package holiday constitutes the delivery of one distinct performance obligation which includes flights, accommodation, transfers and other holiday-related services. In formulating this conclusion, management has assessed that it provides a significant integration service to collate all of the elements within a customer's specification to produce one integrated package holiday. Management has further analysed the recognition profile and concluded that under IFRS 15, revenue and corresponding cost of sales should be recognised over the period a customer is on holiday.

Following the cessation of operations for Classic Collection Holidays on 30 September 2024, all principal revenue for the year is recognised within discontinued operations, see note 10 for more details.

Capitalised website development costs

Determining the amounts to be capitalised involves judgement and is dependent upon the nature of the related development; namely whether it is capital (as relating to the enhancement of the website) or expenditure (as relating to the ongoing maintenance of the website) in nature. In order to capitalise a project, the key judgement management has made is in determining the project's ability to produce future economic benefits.

In the year ending 30 September 2024, the proportion of development costs that have been capitalised is in line with prior year as the development team are focusing on key strategic development objectives. Management has assessed each project to determine whether the project is technically feasible, intended to be completed and used, whether there is available resources to complete it and whether there is probable economic benefits from each project.

Discontinued operations

On 11 March 2024, the Board made the decision to cease the Classic Collection Holidays operation and to not attempt to sell the business. Management determined that on abandonment of Classic Collection Holidays on 30 September 2024, the operation should be presented as a discontinued operation due to a number of factors including the different nature of cash flows expected to arise and revenue expected to be recognised from the cessation of the Classic Collection Holidays operation. By presenting Classic Collection Holidays as a discontinued operation, Management believes that the presentation of the Income Statement is more aligned to the ongoing and anticipated recurring cash flows and revenue recognised by the business in the restructured operating model.

The following factors were considered to classify the operation as discontinued:

- Key dates of decisions and actions taken in relation to abandoning the operation including the redundancy of staff, vacating the property from which the operation was ran and subsequently putting the property up for sale.
- The distinction between the two Classic Package and Classic Collection CGU's in terms of location, operating teams and expected cashflows.

As noted above Classic Collection Holidays has been classified as discontinued operations, therefore as there is no future expected cashflows, the goodwill of £4.6m has been written off.

Critical accounting estimates

Expected Credit Losses ('ECL')

The Group's estimation of credit risk relating to customer repayments of debt is inherently uncertain and subject to degree of judgement. Further information on the Group's credit risk management practices and risk exposures are outlined in the risk management section on page 54.

The ECL provision is calculated using two years of historical default rates following financial years impacted by COVID-19, which are compared to forecasted revenue projections to calculate the expected liability. Two years is considered to be a suitable period to use for estimation as this more accurately reflects current events when compared to period prior to, or during the effects of COVID-19. These results are adjusted for the expected effect of cost of living, as well as inflation. The calculation is updated at each reporting date. The origination, measurement and release of material judgemental adjustments are subject to further analysis and challenge through the Group's accounting judgement review process before ultimate being presented to the Group's Audit Committee.

Estimation uncertainty arises on the forecasted bookings, effects of the cost of living and inflation adjustments. These estimations are subject to challenge by the Board of Directors, as well as the Audit Committee to ensure that they most accurately reflect the available information.

4 Revenue

In line with IFRS 15, the Group is required to disaggregate its revenue to show the main drivers of its revenue streams. Revenue is accounted for at the point the Group has satisfied its performance obligations; details of the revenue performance obligations are set out in note 2k of these financial statements.

	For the year ended 30 September 2024		
	OTB £m	Classic Collection £m	Total £m
Total revenue before exceptional items	**114.6**	**8.8**	**123.4**
Exceptional recoveries**	**4.6**	**0.2**	**4.8**
Total revenue	**119.2**	**9.0**	**128.2**

	For the year ended 30 September 2023*		
	OTB £m	Classic Collection £m	Total £m
Total revenue before exceptional items	106.9	6.0	112.9
Fair value FX gains	(0.8)	–	(0.8)
Total revenue	106.1	6.0	112.1

* Revenue for the year ended 30 September 2023 has been restated to exclude the results of discontinued operation included in that period (note 10).

** Exceptional recoveries relate to refunds from airlines for cancelled flights during COVID-19. Previously, exceptional cancellations related to these flights were provided for against, which have now been released.

In the year, Classic Collection Holidays Limited discontinued its website, vacated the property used for operations, and made a number of redundancies, transferring all remaining assets to Classic Package Holidays Limited (see note 10). Upon transfer, operations have been streamlined for Classic Collection Holidays and Classic Package Holidays to operate under a single CGU, "Classic Collection".

Details of receivables arising from contracts with customers are set out in note 15.

5 Segmental report

As explained in note 2j, the management team considers the reportable segments to be "OTB" and "Classic Collection". All segment revenue, operating profit assets and liabilities are attributable to the Group from its principal activities.

OTB and Classic Collection recognise revenue as agent on a net basis.

The Group's Chief Operating Decision Maker ('CODM') is its executive board and it monitors the performance of these operating segments as well as deciding on the allocation of resources to them based on divisional level financial reports. Segmental performance is monitored using adjusted segment operating results.

In the year, Classic Collection Holidays Limited discontinued its website, vacated the property used for operations, and made a number of redundancies, transferring all remaining assets to Classic Package Holidays Limited. Classic Package Holidays Limited is still considered to be a single operating segment following this transfer. Classic Package Holidays Limited has since been renamed Classic Collection Holdings Limited, and is referred to throughout as "Classic Collection". For further details on the discontinued operations see note 10.

5 Segmental report continued

	2024			2023*		
	OTB £m	Classic Collection £m	Total £m	OTB £m	Classic Collection £m	Total £m
Revenue						
Revenue	**119.2**	**9.0**	**128.2**	106.1	6.0	112.1
Exceptional recoveries**	**(4.6)**	**(0.2)**	**(4.8)**	–	–	–
Fair value FX losses	**–**	**–**	**–**	0.8	–	0.8
Adjusted Revenue	**114.6**	**8.8**	**123.4**	106.9	6.0	112.9
Cost of sales	**–**	**(4.8)**	**(4.8)**	–	(3.7)	(3.7)
Expected credit losses	**(1.7)**	**–**	**(1.7)**	(1.9)	(0.1)	(2.0)
Adjusted Gross Profit	**112.9**	**4.0**	**116.9**	105.0	2.2	107.2
Marketing	**(40.0)**	**(0.1)**	**(40.1)**	(38.8)	(0.5)	(39.3)
Staff costs (excluding share based payments)	**(20.9)**	**(0.7)**	**(21.6)**	(20.6)	(0.6)	(21.2)
Other administrative expenses	**(15.7)**	**(1.5)**	**(17.2)**	(13.5)	(1.0)	(14.5)
Adjusted EBITDA	**36.3**	**1.7**	**38.0**	32.1	0.1	32.2
Share-based charge	**(2.2)**	**(0.1)**	**(2.3)**	(1.1)	–	(1.1)
Exceptional items	**0.4**	**0.2**	**0.6**	(3.3)	–	(3.3)
Fair value FX losses	**–**	**–**	**–**	(0.8)	–	(0.8)
EBITDA	**34.5**	**1.8**	**36.3**	26.9	0.1	27.0
Depreciation and amortisation	**(14.4)**	**(0.7)**	**(15.1)**	(14.1)	(0.9)	(15.0)
Group operating profit	**20.1**	**1.1**	**21.2**	12.8	(0.8)	12.0
Finance costs			**(2.4)**			(1.5)
Finance income			**7.7**			3.9
Profit before taxation			**26.5**			14.4
Non-current assets						
Goodwill	**31.6**	**4.0**	**35.6**	31.6	4.0	35.6
Other intangible assets***	**25.5**	**5.1**	**30.6**	27.9	5.8	33.7
Property, plant and equipment	**3.6**	**–**	**3.6**	5.5	–	5.5

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operation included in that period (note 10).

** Exceptional recoveries relate to refunds from airlines for cancelled flights during COVID-19. Previously, exceptional cancellations related to these flights were provided for against, which have now been released.

*** Acquired intangibles previously recognised in under the discontinued operations have been recognised in Classic Collection, as these relate to continuing operations. Please see note 12 for details.

6 Operating profit

a) Operating expenses from continuing operations

Expenses by nature including exceptional items and amortisation of intangible assets:

	2024 £m	2023* £m
Marketing	**40.1**	39.3
Depreciation	**2.1**	2.4
Staff costs (including share-based payments)	**23.9**	22.4
IT hosting, licences & support	**5.8**	5.6
Office expenses	**0.6**	0.7
Credit/debit card charges	**4.8**	3.9
Insurance	**1.9**	1.7
Professional services	**0.9**	1.0
Other	**3.2**	1.5
Administrative expenses before exceptional items & amortisation of intangible assets	**83.3**	78.5
Exceptional items	**4.2**	3.3
Amortisation of intangible assets	**13.0**	12.6
Exceptional items and amortisation of intangible assets	**17.2**	15.9
Administrative expenses	**100.5**	94.4

* The prior period is restated for the effects of discontinued operations (see note 10).

Other expenses in the year ended 30 September 2024 include £0.4m of bonding fees, £0.2m recruitment fees, £0.2m of staff training and £0.4m of staff travel expenses.

b) Exceptional items

Exceptional items in the year ended 30 September 2024 of £4.2m represents £3.9m of non-trade legal and professional fees relating to litigation and £0.3m of restructuring costs which derive from events or transactions that fall outside of the normal activities of the Group.

Exceptional items in the year ended 30 September 2023 of £3.3m represents £2.0m of non-trade legal and professional fees relating to ongoing litigation and £1.3m of restructuring costs as a result of the consolidation of certain Group functions.

Exceptional recoveries of £4.8m relate to refunds from airlines for cancelled flights during COVID-19. Previously, exceptional cancellations related to these flights were provided for against, which have now been released.

c) Services provided by the Company auditor

During the year, the Group obtained the following services from the operating company's auditor.

	2024 £m	2023 £m
Audit of the Parent Company financial statements	**0.1**	0.1
Amounts receivable by the Company's auditor and its associated in respect of:		
– Audit of financial statements of subsidiaries pursuant to legislation	**0.4**	0.4
	0.5	0.5

6 Operating profit continued

d) Adjusted profit before tax

Management measures the overall performance of the Group by reference to Adjusted profit before tax, a non-GAAP measure as it gives a meaningful year-on-year comparison of the Group's performance:

	2024 £m	Restated* 2023 £m
Profit before taxation	**26.5**	14.4
Exceptional items	**(0.6)**	3.3
Fair value FX losses/(gains)	**–**	0.8
Amortisation of acquired intangibles**	**2.8**	5.2
Share-based payments charge***	**2.3**	1.1
Adjusted profit before tax	**31.0**	24.8

* The prior period is restated for the effects of discontinued operations (see note 10).

** These charges relate to amortisation of brand, website technology and customer relationships recognised on the acquisition of subsidiaries and are added back as they are inherently linked to historical acquisitions of businesses.

*** The share-based payment charge represents the expected cost of shares vesting under the Group's Long-Term Incentive Plan. The share-based payment charge has increased to £2.3m (2023: £1.1m) as a result of a reduction in the number of awards in the year and the change in the expectations for non-market based performance conditions; the year ending 30 September 2023 also included a catch-up charge following the introduction of an underpin/minimum award. These charges are added back to provide comparability to prior periods due to fluctuations in the charges.

7 Employees and Directors

a) Payroll costs

The aggregate payroll costs of these persons were as follows:

	2024 £m	Restated* 2023 £m
Wages and salaries	**26.6**	26.5
Defined contribution pension cost	**0.8**	0.8
Social security costs	**2.8**	2.8
Share-based payment charge	**2.3**	1.1
	32.5	31.2

* The prior period is restated for the effects of discontinued operations (see note 10).

Staff costs above include £8.6m (2023: £8.8m) employee costs capitalised as part of software development.

The share-based payment charge has increased to £2.3m (2023: £1.1m) as a result of an increase in the number of options awarded.

b) Employee numbers

Average monthly number of people (including Executive Directors) employed:

	2024 No.	2023* No.
By reportable segment:		
UK	**526**	522
Classic Collection	**57**	11
Total number of employees	**583**	533

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operation included in that period (note 10). Classic Collection Holidays employed an average number of 148 people in the year ended 30 September 2023.

c) Directors' emoluments

The remuneration of Directors was as follows:

	2024 £m	2023 £m
Aggregate emoluments	**1.5**	1.8
Defined contribution pension	**0.1**	0.1
Share-based payment charges	**0.9**	0.4
Total Director remuneration	**2.5**	2.3

Remuneration was paid by On the Beach Limited, a subsidiary company of the Group.

The remuneration of the highest paid Director was as follows:

	2024 £m	2023 £m
Aggregate emoluments	**0.6**	0.6
Share-based payment charges	**0.3**	0.3
Total remuneration	**0.9**	0.9

d) Key management compensation

Key management comprised the eight members of the Executive team (2023: nine).

Remuneration of all key management (including Directors) was as follows:

	2024 £m	2023* £m
Wages and salaries	**3.5**	4.2
Short-term non-monetary benefits	**0.1**	0.2
Share-based payment charges	**1.9**	1.1
Total key management	**5.5**	5.5

* The prior period is restated for the effects of discontinued operations (see note 10).

e) Retirement benefits

Included in pension contributions payable by the Group of £0.8m (2023: £0.8m) is £16,200 (2023: £25,800) of contributions that the Group made to a personal pension scheme in relation to one Executive Director.

8 Finance income and finance costs

a) Finance costs

	2024 £m	2023 £m
Revolving credit facility interest/fees	**2.3**	1.3
Interest on lease liabilities	**0.1**	0.2
Finance costs	**2.4**	1.5

b) Finance income

	2024 £m	Restated* 2023 £m
Bank interest receivable	**7.8**	3.9
Loss on interest rate swaps	**(0.1)**	–
Finance income	**7.7**	3.9

* The prior period is restated for the effects of discontinued operations (see note 10), prior year included £0.2m of finance income related to discontinued operations.

9 Taxation

	2024 £m	2023* £m
Current tax on profit for the year	3.3	1.8
Adjustments in respect of prior years	(0.1)	(0.1)
Total current tax	3.2	1.7
Deferred tax on profits for the year		
Origination and reversal of temporary differences	3.3	1.0
Adjustments in respect of prior years	(0.2)	(0.2)
Total deferred tax	3.1	0.8
Total tax charge	6.3	2.5

The differences between the total taxation shown above and the amount calculated by applying the standard UK corporation taxation rate to the profit before taxation on continuing operating are as follows.

	2024 £m	2023* £m
Profit on ordinary activities before tax	26.5	11.9
Profit on ordinary activities multiplied by the effective rate of corporation tax of 25% (2023: 22%)	6.6	2.8
Effects of:		
Impact of difference in current and deferred tax rates	–	(0.5)
Adjustments in respect of prior years	(0.3)	(0.3)
Expenses not deductible	–	0.5
Total taxation charge	6.3	2.5

The tax charge for the year is based on the effective rate of corporation tax for the period of 25% (2023: 22%). An increase in the UK corporation rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. The deferred tax assets and liabilities at 30 September 2024 have been calculated based on these rates.

* The prior period is restated for the effects of discontinued operations (see note 10).

10 Loss from discontinued operations

Classic Collection Holidays Limited

On 11 March 2024, the Board made the decision to cease the Classic Collection Holidays operation and to not attempt to sell the business. In the year, Classic Collection Holidays Limited discontinued its website, vacated the property used for operations, and made a number of redundancies, transferring all remaining assets to Classic Package Holidays. Upon transfer, operations have been streamlined for Classic Collection Holidays and Classic Package Holidays to operate under a single CGU, "Classic Collection". The comparative figures have been restated to show separately the results of the discontinued operation included in that period. The "CCH" segment is no longer presented in the segment note.

After a review of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) management believe that the discontinuation of Classic Collection Holidays operations merits disclosure for the following reasons:

- The Classic Collection Holidays operation represented a separate major line of business, treated by management as an operating segment and was reported separately within the CFO report and segmental reporting. Classic Collection Holidays provided personalised holiday packages on a principal basis with dedicated teams responsible for the fulfilment, sales and marketing. Classic Collection Holidays was treated by management as a separate operating segment to Classic Package Holidays due to the terms that bookings are made under and operational differences in fulfilling the bookings.
- The majority of the contact centre team were made redundant, and the property used for the CGU's operation was vacated on 13 May 2024 and was put up for sale on 22 July 2024. The remaining 57 members of staff transferred to Classic Package from 1st July 2024. The property is available for immediate sale and is expected to be sold by end of December 2024.

- The Classic Collection Holidays website was switched off on 11 June 2024, no new bookings were made under Classic Collection Holidays' terms or on the Classic Collection Holidays booking system after this date, and the Contact Centre responsible for fulfilling the bookings for the Classic Collection Holidays CGU was closed on 30 June 2024.
- On sale to Classic Package Holidays, all forward order bookings were transferred and followed a re-booking process under Classic Package Holidays' terms, as such Classic Collection Holidays will no longer be an identifiable CGU or operating segment and a single CGU will be in place for Classic Package Holidays.
- Whilst the re-booking process commenced, any bookings that remained on a principal basis were fulfilled by Classic Package Holidays and its contact centre, due to the bookings being on a principal basis and originally booked under the Classic Collection Holidays terms, these bookings have been included within the discontinued operations. The re-book process was completed by the 30 September 2024 and at this point the Classic Collection Holidays operation was classified as discontinued.

	2024 £m	2023* £m
Loss for the year from discontinued operations		
Revenue	**46.6**	58.1
Cost of sales	**(41.4)**	(50.5)
Gross profit	**5.2**	7.6
Administrative expenses	**(7.8)**	(9.1)
Impairment of goodwill	**(4.6)**	–
Loss before tax	**(7.2)**	(1.5)
Tax	**–**	0.2
Loss from discontinued operations	**(7.2)**	(1.3)
Earnings per share		
Basic EPS	**(4.3p)**	(0.8p)
Diluted EPS	**(4.3p)**	(0.8p)
Cash flows from discontinued operations		
Net cash flows from operating activities	**(2.4)**	(1.4)
Net cash flows from investing activities	**0.2**	0.2
Net cash flows from discontinued operations	**(2.2)**	(1.2)

No impact on cash flows from financing activities.

Disposal of discontinued operations

There was a loss on disposal, the Group disposed of tangible assets with a £0.3m net book value (2023: £nil) and did not receive proceeds for these. Assets relating to discontinued operations held for sale at 30 September 2024 are valued at £2.0m (2023: £nil), see note 13 for more details.

10 Loss from discontinued operations continued

Prior year discontinued operations – International

On 27 September 2023, the Group made the decision to cease its current operations outside of the UK. The results of discontinued operations are analysed below. The comparative figures have been restated to show separately the results of the discontinued operation included in that period. "International" segment is no longer presented in the segment note.

	2024 £m	2023* £m
Loss for the year from discontinued operations		
Revenue	–	0.9
Administrative expenses	–	(1.4)
Loss before tax	–	(0.5)
Loss from discontinued operations	–	(0.5)
Earnings per share		
Basic EPS	**0.0p**	(0.3p)
Diluted EPS	**0.0p**	(0.3p)
Cash flows from discontinued operations		
Net cash flows from operating activities	–	(0.5)
Net cash flows from discontinued operations	–	(0.5)

No impact on cash flows from investing or financing activities.

Disposal of discontinued operations

There was no loss on disposal, the Group disposed of intangible assets with a £nil net book value and did not receive proceeds for these. There are no assets relating to discontinued operations held for sale at 30 September 2024.

11 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of On the Beach Group plc by the weighted average number of Ordinary Shares issued during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of On the Beach Group plc by the weighted average number of Ordinary Shares issued during the period plus the weighted average number of Ordinary Shares that would be issued on the conversion of all dilutive potential Ordinary Shares into Ordinary Shares.

Adjusted basic earnings per share figures are calculated by dividing adjusted earnings after tax for the year by the weighted average number of shares. Adjusted diluted earnings per share figures are calculated by dividing adjusted earnings after tax for the year by the weighted average number of shares plus the weighted average number of Ordinary Shares that would be issued on the conversion of all dilutive potential Ordinary Shares into Ordinary Shares.

EPS for continuing operations	Basic weighted average number of Ordinary Shares (m)	Total earnings £m	Pence per share
Year ended 30 September 2024			
Basic EPS	**166.9**	**20.2**	**12.1p**
Diluted EPS	**169.8**	**20.2**	**11.9p**
Adjusted basic EPS	**166.9**	**23.6**	**14.1p**
Adjusted diluted EPS	**169.8**	**23.6**	**13.9p**
Year ended 30 September 2023*			
Basic EPS	166.5	11.9	7.2p
Diluted EPS	167.8	11.9	7.1p
Adjusted basic EPS	166.5	20.1	12.0p
Adjusted diluted EPS	167.8	20.1	12.0p

EPS for total operations			
Year ended 30 September 2024			
Basic EPS	**166.9**	**13.0**	**7.8p**
Diluted EPS	**169.8**	**13.0**	**7.7p**
Year ended 30 September 2023*			
Basic EPS	166.5	10.1	6.1p
Diluted EPS	167.8	10.1	6.0p

* The prior period is restated for the effects of discontinued operations (see note 10).

Adjusted earnings after tax is calculated using the Group's effective tax rate as follows:

	2024 £m	Restated* 2023 £m
Profit for the year after taxation	**20.2**	11.9
Adjustments (net of tax at the effective rate)*		
Exceptional recoveries	**(0.4)**	2.6
Fair value FX losses	**–**	0.6
Amortisation of acquired intangibles	**2.1**	4.1
Share-based payment charges*	**1.7**	0.9
Adjusted earnings after tax	**23.6**	20.1

* The effective tax rate for the year ending 30 September 2024 was 25% (2023: 22%), see note 9 for details.

** The share-based payment charges are in relation to options which are not yet exercisable.

	2024 (m)	2023 (m)
Weighted average number of shares for basic earnings per share	**166.9**	166.5
Dilution from share options	**2.9**	1.3
Weighted average number of shares for diluted earnings per share	**169.8**	167.8

12 Intangible assets

	Brand £m	Goodwill £m	Website & development costs £m	Website technology £m	Customer relationships £m	Agent relationships £m	Total £m
Cost							
At 1 October 2022	35.9	40.2	31.2	22.8	2.1	4.4	136.6
Additions	–	–	12.0	–	–	–	12.0
Disposals	–	–	(0.5)	–	–	–	(0.5)
At 30 September 2023	35.9	40.2	42.7	22.8	2.1	4.4	148.1
Additions	**–**	**–**	**10.3**	**–**	**–**	**–**	**10.3**
Disposals	**–**	**–**	**(0.4)**	**–**	**–**	**–**	**(0.4)**
Impairment (note 10)	**–**	**(4.6)**	**–**	**–**	**–**	**–**	**(4.6)**
At 30 September 2024	**35.9**	**35.6**	**52.6**	**22.8**	**2.1**	**4.4**	**153.4**
Accumulated amortisation							
At 1 October 2022	19.9	–	18.6	20.8	1.7	1.3	62.3
Charge for the year	2.5	–	7.4	2.0	0.4	0.3	12.6
Disposals	–	–	(0.5)	–	–	–	(0.5)
At 30 September 2023	22.4	–	25.5	22.8	2.1	1.6	74.4
Charge for the year	**2.5**	**–**	**10.2**	**–**	**–**	**0.3**	**13.0**
Disposals	**–**	**–**	**(0.2)**	**–**	**–**	**–**	**(0.2)**
At 30 September 2024	**24.9**	**–**	**35.5**	**22.8**	**2.1**	**1.9**	**87.2**
Net book amount							
At 30 September 2024	**11.0**	**35.6**	**17.1**	**–**	**–**	**2.5**	**66.2**
At 30 September 2023	13.5	40.2	17.2	–	–	2.8	73.7

Brand

The brand intangibles assets consist of three brands which were separately identified as intangibles on the acquisition of the respective businesses. The carrying amount of the brand intangible assets:

Brand	Remaining useful economic life	Acquisitions	At 30 September 2024 £m	At 30 September 2023 £m
On the Beach	4	On the Beach Travel Limited	**7.9**	10.0
Sunshine.co.uk	4	Sunshine.co.uk Limited	**0.5**	0.6
Classic Collection	9	Classic Collection Holidays Limited	**2.6**	2.9
			11.0	13.5

Goodwill

Goodwill acquired in a business combination is allocated on acquisition to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

Reportable segment	CGU	Acquisitions	At 30 September 2024 £m	At 30 September 2023 £m
OTB	OTB	On the Beach Travel Limited	**21.5**	21.5
OTB	Sunshine	Sunshine.co.uk Limited	**10.1**	10.1
Classic Collection	Classic Collection*	Classic Collection Holidays Limited	**4.0**	4.0
N/A	CCH**	Classic Collection Holidays Limited	**–**	4.6
			35.6	40.2

* Previously known as CPH CGU, following the rebrand of Classic Package, the segment is shown throughout as Classic Collection.

** Classic Collection Holidays (CCH) ceased operations on 30 September 2024, and as a result the acquired goodwill was impaired. See note 10 for details.

Impairment of goodwill

On the Beach and Sunshine are considered to be one reportable segment, as they are internally reported and managed as one entity. Goodwill acquired through Sunshine.co.uk has been allocated to the “OTB” cash generating unit. Goodwill acquired through the acquisition of Classic Collection Holidays Limited that is associated with the continuing operations has been allocated to the “Classic Collection” cash generating unit, the goodwill that arose and was apportioned to the operations that have been discontinued in the year has been considered to be impaired (see note 10 for further details on discontinued operations). Management have determined that the brand, agent and customer relationships remain in use following the rebrand of Classic Package Holidays to “Classic Collection”.

The Group has recognised an impairment to the goodwill for the discontinued operations of £4.6m for the year ending 30 September 2024 (2023: £nil). The group believes that the recoverable amount for the CGU has been estimated to be £nil due to the cessation of operations.

“OTB” CGU

The Group performed its annual impairment test as at 30 September 2024 on the “OTB” cash generating unit ('CGU'). The recoverable amount of the CGU has been determined based on the value in use calculations using cash flow projections derived from financial budgets and projections covering a five-year period. The forecasts are then extrapolated in perpetuity based on an estimated growth rate of 2 percent (2023: 2 percent), this being the Directors’ best estimate of the future prospects of the business. This is deemed appropriate because the CGU is considered to be a long-term business. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to this CGU. The discount rate applied is 13.5 percent (2023: 14.6 percent).

“Classic Collection” CGU

The Group performed its annual impairment test as at 30 September 2024 on the “Classic Collection” cash generating unit ('CGU'). The recoverable amount of the CGU has been determined based on the value in use calculations using cash flow projections derived from financial budgets and projections covering a five-year period. The forecasts are then extrapolated in perpetuity based on an estimated growth rate of 2 percent (2023: 2 percent). This is deemed appropriate based on the Directors’ best estimate of the future prospects of the business. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The discount rate applied is 13.5 percent (2023: 14.6 percent).

In the year, Classic Collection Holidays discontinued its website, vacated the property used for operations, and made a number of redundancies transferring all remaining assets to Classic Package Holidays (see note 10). Upon transfer, operations have been streamlined for Classic Collection Holidays and Classic Package Holidays to operate under a single CGU, “Classic Collection”. As a result of this, the goodwill on acquisition of Classic Collection Holidays is now impaired, as there are no expected future cashflows. However, Classic Collection will continue to utilise the brand and relationships intangibles following the transfer, and these are not believed to be impaired following management’s review.

Administrative expenses are dependent upon the net costs to the business of purchasing services. Expenses are based on the current cost base of the Group adjusted for variable costs.

12 Intangible assets continued

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The main assumptions on which the forecast cash flows used for the CGUs were based include:

- **Consumer demand –** management considered historic performance both pre-pandemic (year ending 30 September 2019) and during the pandemic (years ending 30 September 2020 and 2021) as well as the size of the market, current market share, competitive pressure, consumer confidence and appetite under the cost of living crisis. The Directors have used their past experience of the business and its industry, together with their expectations of the market.
- **Impact of new marketing and planned improvements on booking conversion –** whilst the spend on incentives and improvements is within the Group's control, the impact on increasing bookings requires assessment of consumer demand and competitive pressures using industry and market knowledge.

The calculation of value in use for all CGUs is most sensitive to the following assumptions:

- **Revenue:** the level of sales is based on expected customer demand, average booking values and booking conversion however a material deterioration in consumers can lead to reduced demand for holidays as well as disruption to its operations from unpredictable domestic and international events which can significantly impact the level of sales. A decrease in bookings of 20% for each CGU would not result in an impairment.
- **Discount rates:** discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ('WACC'). A rise in the discount rate to 14.8% for all CGUs would not result in an impairment, and is considered to be implausible.
- **Growth rates used to extrapolate cash flows beyond the forecast period:** the Group operates in a fast-moving marketplace so management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. A reduction in long-term growth rates by 10ppts for each CGU would not result in an impairment, and is not considered plausible.

Sensitivity analysis has been completed in isolation and in combination. Management considers that no reasonably possible changes in assumptions would reduce a CGU's headroom to nil.

Impact of changes in customer behaviour

The Group does not consider that any CGU has been automatically impaired as a result of either the rising cost of living or changes in customer behaviour in respect of climate related matters, with booking volumes increasing for the year ending 30 September in comparison to the prior year. All CGUs remain viable long term trade and assets, which the Group expects to continue to generate positive cashflows. Inherent in the impairment test and sensitivity analysis is the impact of customer demand being affected by either of these factors. The Group is satisfied that sufficient headroom exists to support the asset value.

Website and development costs

The Group capitalises development projects where they satisfy the requirements for capitalisation in accordance with the IAS 38 and expense projects that relate to ongoing maintenance and support.

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

Additions in the year relate to the development of software and the purchase of domain names. The amortisation period for website and development costs is three years straight line. Domain names are amortised over ten years. Amortisation has been recognised within operating expenses.

Research and development costs that are not eligible for capitalisation have been recognised in administrative expenses in the period incurred; in 2024 this was £1.0m (2023: £0.9m).

13 Property, plant and equipment

	Freehold property* £m	Fixtures, fittings and equipment £m	Right-of-use asset (note 17) Head office £m	Right-of-use asset (note 17) IT equipment £m	Total £m
Cost					
At 1 October 2022	2.3	7.4	3.6	1.5	14.8
Additions	–	0.1	–	1.0	1.1
Disposals	–	(1.4)	–	–	(1.4)
Modification of lease	–	–	0.9	–	0.9
At 1 October 2023	2.3	6.1	4.5	2.5	15.4
Additions	**–**	**–**	**–**	**–**	**–**
Disposals	**–**	**(0.8)**	**–**	**–**	**(0.8)**
Assets held for sale	**(2.3)**	**–**	**–**	**–**	**(2.3)**
At 30 September 2024	**–**	**5.3**	**4.5**	**2.5**	**12.3**
Accumulated depreciation					
At 1 October 2022	0.2	3.8	1.5	0.2	5.7
Charge for the year	0.1	1.2	0.5	0.9	2.7
Disposals	–	(1.3)	–	–	(1.3)
At 1 October 2023	0.3	3.7	2.0	1.1	7.1
Charge for the year	**–**	**0.7**	**0.5**	**0.9**	**2.1**
Disposals	**–**	**(0.2)**	**–**	**–**	**(0.2)**
Assets held for sale	**(0.3)**	**–**	**–**	**–**	**(0.3)**
At 30 September 2024	**–**	**4.2**	**2.5**	**2.0**	**8.7**
Net book amount					
At 30 September 2024	**–**	**1.1**	**2.0**	**0.5**	**3.6**
At 30 September 2023	2.0	2.4	2.5	1.4	8.3

The depreciation expense of £2.1m for the year ended 30 September 2024 and the depreciation expense of £2.7m for the year ended 30 September 2023 have been recognised within administrative expenses.

* In the year, Classic Collection Holdings Limited discontinued its website, vacated the property used for operations, and made a number of redundancies, transferring all remaining assets to Classic Package Holidays Limited. Included within this is the freehold property owned by CCH, which has now been made available for sale following the transfer of assets. Any gains or losses on sale will be recognised through the income statement. There is no impairment recognised to date.

14 Investments

The Parent Company, On the Beach Group plc, is incorporated in the UK and directly holds a number of subsidiaries. The registered address for each subsidiary is Aeroworks, 5 Adair Street, Manchester, M1 2NQ.

The table below shows details of the wholly owned subsidiaries of the Group.

Subsidiary	Nature of business	Proportion of Ordinary Shares held by the Group
On the Beach Topco Limited*	Holding Company	100%
On the Beach Limited	Internet travel agent	100%
On the Beach Beds Limited	In-house bedbank	100%
On the Beach Bid Co Limited*	Holding Company	100%
On the Beach Travel Limited	Holding Company	100%
On the Beach Trustees Limited	Employee trust	100%
Sunshine.co.uk Limited	Internet travel agent	100%
Sunshine Abroad Limited	Dormant	100%
Classic Collection Holidays Limited**	Tour Operator	100%
Classic Collection Aviation Limited	Transport Broker	100%
Saxon House Properties Limited	Property Management	100%
Classic Collection Holdings Limited**	Travel agent	100%

* The Group undertook a project to simplify the Group structure; on 30 September 2022 On the Beach Topco Limited and On the Beach Bidco were placed into Members Voluntary Liquidation. The Group chose to simply the Group structure to reduce duplication of processes, reduce complexity of the structure without affecting the control of the Group's assets and reduce additional costs associated with the subsidiaries.

** In the year, Classic Collection Holdings Limited discontinued its website, vacated the property used for operations, and made a number of redundancies, transferring all remaining assets to Classic Package Holidays Limited. Classic Package Holidays Limited is still considered to be a single CGU following this transfer. Classic Package Holidays Limited was renamed as Classic Collection Holdings Limited.

15 Trade and other receivables

	2024 £m	2023 £m
Amounts falling due within one year:		
Trade receivables – net	**162.8**	147.4
Other receivables and prepayments	**23.1**	15.5
Other taxes and social security	**2.5**	2.4
	188.4	165.3

For the year ended 30 September 2024, other receivables and prepayments includes £5.4m in respect of amounts due from airlines as a result of cancellations, £4.2m of advanced payments to suppliers, £6.3m of overrides commissions and £4.5m of rebates due from suppliers. The expected credit losses in respect to these balances is not material.

For the year ended 30 September 2023 , other receivables includes £1.2m receivable in respect of amounts due from airlines as a result of supplier cancellations. Other receivables and prepayments includes £7.4m of advanced payments to suppliers, and £6.0m of rebates due from suppliers. The expected credit losses in respect to these balances is not material.

Expected credit losses for trade receivables

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2024 £m	2023 £m
At 1 October	**1.0**	0.5
Provision for expected credit losses	**1.7**	2.0
Utilised in year	**(1.5)**	(1.5)
At 30 September	**1.2**	1.0

16 Trust account

Trust accounts are restricted cash held separately and only accessible once the Trust rules are met as approved by our Trustees and the Civil Aviation Authority, this is at the point the customer has travelled or the booking is cancelled and refunded.

For the year ended 30 September 2024, the Trust account is split between current and non-current assets. The split is achieved by recognising the earliest point that the cash can be recognised, as either the point of the customer travelling, or the cash is reclaimable under trust rules. Therefore, the non-current assets include cash received relating to bookings not yet travelled/not yet reclaimable, that are due to return from holiday beyond 30 September 2025.

17 Trade, other payables and provisions

	2024 £m	2023 £m
Non-current		
Lease liabilities (note 18)	**2.1**	2.6
Current		
Trade payables	**281.0**	236.4
Accruals and other payables	**22.3**	17.0
Contract liabilities	**0.3**	5.9
Lease liabilities (note 18)	**0.7**	1.9
Provision	**0.4**	0.4
	306.8	264.2

Accruals and other payables includes £13.2m (2023: £8.6m) for products or services received but not yet invoiced at the year end date.

Contract balances

The Group acts as principal when it is the primary party responsible for providing the components that make up the customer's booking and it controls the components before transferring to the customer. Revenue represents amounts received or receivable for the sale of package holidays and other services supplied to the customers. Revenue is recognised when the performance obligation of delivering an integrated package holiday is satisfied, usually over the duration of the holiday. Revenue is stated net of discounts, rebates, refunds and value added tax.

A contract liability is recognised if a payment is received from a customer before the Group delivers its performance obligations. Contract liabilities are recognised as revenue when the Group delivers its performance obligations.

Set below is the amount of revenue recognised from:

	2024 £m	2023 £m
Amounts included in contract liabilities at the beginning of the year	**5.8**	6.6
Performance obligations satisfied during previous years	**1.0**	0.9

Provisions

	2024 £m	2023 £m
At 1 October 2023	**0.4**	0.3
Arising during the year	**0.4**	0.4
Utilised	**(0.3)**	(0.3)
Unused amounts reversed	**(0.1)**	–
At 30 September 2024	**0.4**	0.4
Current	**0.4**	0.4
Non-current	**–**	–

17 Trade, other payables and provisions continued

Cancellations

A provision has been recognised in respect of expected future cancellations for supplier and customer cancellations on the forward order book for future departures. The Group expect this provision to be utilised over the next year. The provision is based on historical trends and best estimate of future expectation, there is inherent uncertainty in terms of the level and timing of future cancellations, which will depend on various factors including potential supplier disruption and customer requested cancellations.

18 Leases

The Group as a lessee

The Group has leases for its head office and IT equipment, the lease term for the building is ten years and lease terms for the IT equipment are between three and five years. For the year ending 30 September 2023, the Group was subject to a rent review for the lease of the building, which resulted in the revaluation of the lease liability and a corresponding increase in the right-of-use asset. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 13).

Amounts recognised in profit or loss

The following lease-related expenses were recognised under IFRS 16 in the profit or loss:

	2024 £m	2023 £m
Depreciation expense of right-of-use assets	**1.4**	1.4
Interest expense on lease liabilities	**0.1**	0.2
Total amount recognised in profit or loss	**1.5**	1.6

Set out below are the carrying amounts of lease liabilities (included trade and other payables) and the movements during the period:

	2024 £m	2023 £m
As at 1 October	**4.5**	3.9
Additions	**–**	1.0
Accretion of interest	**0.1**	0.2
Payments	**(1.8)**	(1.5)
Modification of lease	**–**	0.9
As at 30 September	**2.8**	4.5
Current (note 17)	**0.7**	1.9
Non-current (note 17)	**2.1**	2.6

The Group had total cash outflows for leases of £1.8m in 2024 (£1.5m in 2023). The above table satisfies the requirements of IAS 7.44A to present a net debt reconciliation.

19 Borrowings

Bank facility

On 7 December 2022, the Group refinanced its credit facilities with Lloyds Bank PLC and National Westminster Bank PLC. This included cancelling its previous facility of £50m and £25m CIBILS facility with Lloyds Bank and entering into a new facility for £60m expiring in December 2025. The purpose of the facility is to meet the day to day working capital requirements of the Group. At the point of refinancing there was no cash balances drawn down.

The facility agreement included the option for two one-year extensions, both of which have now been exercised. The revised expiry date is therefore December 2027. In January 2024, the facility was increased by £25m until July 2025. The additional facility was required to fund higher than excepted funding of our low deposit offering.

The total facility is £85m and has two elements as follows:

- £42.5m facility with Lloyds
- £42.5m facility with NatWest

The interest rate payable is equal to SONIA plus a margin. The margin contained within the facility is dependent on net leverage ratio and the rate per annum ranges from 2.00% to 2.75% for the facility or any unpaid sum.

The terms of the facility include the following key financial covenants:

(i) that the ratio of adjusted EBITDA to net finance charges in respect of any relevant period shall not be less than 5:1; and

(ii) that the ratio of total net debt to adjusted EBITDA shall not exceed 2.5:1

The Group did not breach the covenants during the period.

The RCF is available for other credit uses including currency hedging liabilities and corporate credit cards. At 30 September 2024, the liabilities recognised in trade and other payables for the other credit uses was £11m, leaving £74m of the Lloyds/ Natwest facility available for use. Card facilities with other providers remain available for use. The amount drawn down in cash at 30 September 2024 was £nil (2023: £nil).

20 Deferred tax

	Intangible assets £m	Property, plant and equipment £m	Share-based payments £m	Losses and unused tax relief £m	Tax assets/ (liabilities) £m
2024					
Assets	**–**	**0.2**	**0.8**	**1.9**	**2.9**
Liabilities	**(3.3)**	**–**	**–**	**–**	**(3.3)**
Total	**(3.3)**	**0.2**	**0.8**	**1.9**	**(0.4)**
2023					
Assets	–	–	0.4	6.3	6.7
Liabilities	(4.0)	(0.1)	–	–	(4.1)
Total	(4.0)	(0.1)	0.4	6.3	2.6

20 Deferred tax continued

	Intangible assets £m	Capital allowances £m	Acquired property £m	Share-based payments £m	Losses and unused tax relief £m	Total £m
30 September 2022	(5.2)	(0.1)	(0.2)	0.7	8.2	3.4
Recognised in income	1.2	0.2	–	(0.3)	(1.9)	(0.8)
Recognised in equity	–	–	–	–	–	–
30 September 2023	(4.0)	0.1	(0.2)	0.4	6.3	2.6
Recognised in income	**0.7**	**0.1**	**0.2**	**0.3**	**(4.4)**	**(3.1)**
Recognised in equity	**–**	**–**	**–**	**0.1**	**–**	**0.1**
30 September 2024	**(3.3)**	**0.2**	**–**	**0.8**	**1.9**	**(0.4)**

The deferred tax liability includes an amount of £1.9m (2023: £6.3m) which relates to carried forward tax losses. Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, deferred tax assets are reviewed at each reporting date to assess the availability of sufficient taxable temporary differences and the probability that sufficient taxable profit will be available to allow all or part of deferred tax asset to be utilised. The Group determined that there would be sufficient taxable income generated to realise the benefit of the deferred tax assets and no reasonably possible change to key assumptions would result in a material reduction in forecast headroom of tax profits.

In determining the recognition of deferred tax assets arising from the carry forward of unused tax losses, the Group considered the following:

- The Group considered the location of the taxable entities, and the loss making companies were all located in the United Kingdom; for a full list of subsidiaries see note 14.
- The Group has considered the approved budgeted information covering a five-year period that is consistent with the forecasts used for the Group's review of impairment, going concern and viability assessments. For details of the assumptions used and sensitivity analysis performed for the forecasts, see note 2b. Whilst the forecasts include inherent estimation uncertainty, the Group determined that there would be sufficient taxable income generated to realise the benefit of the deferred tax assets and no reasonably possible change to key assumptions would result in a material reduction in forecast headroom of tax profits. On this basis the Group concluded that there is not a significant risk of a material adjustment to the carrying amount of the deferred tax asset.
- The Group has £0.2m that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

21 Share capital

	2024 £m	2023 £m
Allotted, called up and fully paid		
166,991,435 Ordinary Shares @ £0.01 each (2023: 166,640,480 Ordinary Shares @ £0.01 each)	**1.7**	1.7

The Group issued 350,995 with a nominal value of £0.01. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

22 Reserves

The analysis of movements in reserves is shown in the statement of changes in equity.

Details of the amounts included in other reserves are set out below.

The merger reserve arose on the purchase of On the Beach TopCo Limited in the year ended 30 September 2015.

During the year ended 30 September 2018, the Group issued 607,747 shares with a nominal value of £0.01 each to form part of the acquisition of Classic Collection Holidays Limited. The consideration value of the shares issued was £2.6m. The excess above the nominal value of the shares was credited to the merger reserve.

The capital contribution reserve arose as a result of the redemption of preference shares in the year ended 30 September 2015.

23 Financial instruments

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the statement of accounting policies.

At the balance sheet date the Group held the following:

	FV Level	2024 £m	2023 £m
Financial assets			
Derivative financial assets designated as hedging instruments			
Forward exchange contracts	2	**–**	0.9
Financial assets at amortised cost			
Trust account		**139.5**	108.6
Cash at bank		**96.2**	75.8
Trade and other receivables (note 15)		**184.3**	157.9
Total financial assets		**420.0**	343.2
Financial liabilities			
Derivatives designated as hedging instruments			
Forward exchange contracts	2	**(5.2)**	(1.1)
Interest rate swaps		**(0.1)**	–
Financial liabilities at amortised cost			
Trade and other payables (note 17)		**(281.0)**	(236.4)
Accruals and other payables (note 17)		**(22.3)**	(17.0)
Contract liabilities (note 17)		**(0.3)**	(5.9)
Lease liabilities (note 18)		**(2.8)**	(4.5)
Provisions		**(0.4)**	(0.4)
Total financial liabilities		**(312.1)**	(265.3)

Derivative financial instruments

The Group enters into derivative financial instruments with various financial institutions which are valued using present value calculations. The valuation methods incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies, as well as SONIA and other interest rates.

23 Financial instruments continued

Revolving credit facility

In order to fund seasonal working capital requirements the Group has a revolving credit facility with Lloyds and NatWest Banks. The borrowing limits under the facility is £85m in aggregate, subject to covenant compliance; at year end the facility was £nil (2023: £nil). For details of the revolving credit facility, see note 19.

The following table provides the fair values of the Group's financial assets and liabilities:

	FV Level	2024 £m	2023 £m
Forward exchange contracts	2	**(5.2)**	(0.2)

	FV Level	2024 £m	2023 £m
Interest rate swaps	2	**(0.1)**	–

There is no difference between the carrying value and fair value of cash and cash equivalents, trade and other receivables, trade and other payables and the revolving credit facility.

a) Measurement of fair values

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices)

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 £m	Level 2 £m	Level 3 £m
Forward Contracts			
As at 30 September 2024	**–**	**(5.2)**	**–**
As at 30 September 2023	–	(0.2)	–
Interest Rate Swaps			
As at 30 September 2024	**–**	**(0.1)**	**–**
As at 30 September 2023	–	–	–

The forward contracts have been fair valued at 30 September 2024 with reference to forward exchange rates that are quoted in an active market, with the resulting value discounted back to present value.

Interest rate swaps have been fair valued at 30 September 2024, being compared to SONIA, quoted by the Bank of England. The resulting value is discounted back to present value.

b) Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise revolving credit facility, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash at bank that derive directly from its operations.

In the course of its business the Group is exposed to market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and technology risk. The Group's overall risk management strategy is to minimise potential adverse effects on the financial performance and net assets of the Group. These policies are set and reviewed by senior finance management and all significant financing transactions are authorised by the Board of Directors.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's key financial market risks are in relation to foreign currency rates. Foreign currency risk results from the substantial cross-border element of the Group's trading and arises on sales and purchases that are denominated in a currency other than the functional currency of the business. Group cash resources are matched with the net funding requirements sourced from three sources namely internally generated funds, loan facilities and bank funding arrangements.

The foreign currency risk is managed at Group level by the purchase of foreign currency contracts for use as a commercial hedge. During the course of the period there have been no changes to the market risk or manner in which the Group manages its exposure. The Group is exposed to interest rate risk that arises principally through the Group's revolving credit facility.

Liquidity risk, credit risk and capital risk is considered below. The Executive team is responsible for implementing the risk management strategy to ensure that appropriate risk management framework is operating effectively, embedding a risk mitigation culture throughout the Group. The Board are provided with a consolidated view of the risk profile of the Group. All major exposures are identified and mitigating controls identified and implemented. Regular management reporting and assessment of the effectiveness of controls provide a balanced assessment of the key risks and the effectiveness of controls.

The Group does not speculate with derivatives or other financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is through the revolving credit facility which is subject to fluctuations in SONIA, and interest receivable namely on the ring fenced Trust account due to restrictions on funds. The interest rate swaps acquired are used to hedge this interest receivable risk and reduce the overall interest rate risk of the revolving credit facility.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The majority of the Group's purchases are sourced from outside the United Kingdom and as such the Group is exposed to the fluctuation in exchange rates (currencies are principally sterling, US dollar and euro). The Group places forward cover on the net foreign currency exposure of its purchases. The Group foreign currency requirement is reviewed twice weekly and forward cover is purchased to cover expected usage.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Euro	2024 €m	2023 €m
Cash	**37.4**	28.5
Trade payables	**(240.6)**	(195.6)
Trade receivables	**0.6**	2.8
Prepayments	**1.3**	–
Forward exchange contracts	**193.9**	163.4
Balance sheet exposure	**(7.4)**	(0.9)

US dollar	2024 $m	2023 $m
Cash	**3.4**	2.0
Trade payables	**(32.3)**	(23.0)
Forward exchange contracts	**27.3**	21.4
Balance sheet exposure	**(1.6)**	0.4

23 Financial instruments continued

Swedish krona	2024 Kr'm	2023 Kr'm
Cash	**0.7**	28.8
Trade payables	**(9.7)**	–
Trade receivables	**–**	1.0
Balance sheet exposure	**(9.0)**	29.8

Norwegian krona	2024 Kr'm	2023 Kr'm
Cash	**0.2**	2.1
Trade payables	**(1.0)**	–
Balance sheet exposure	**(0.8)**	2.1

Moroccan dirham	2024 MAD'm	2023 MAD'm
Cash	**6.2**	1.8
Trade payables	**(6.3)**	–
Forward exchange contracts	**1.9**	(3.5)
Balance sheet exposure	**1.8**	(1.7)

United Arab Emirates dirham	2024 AED'm	2023 AED'm
Trade payables	**(1.0)**	(0.1)
Balance sheet exposure	**(1.0)**	(0.1)

Swiss franc	2024 CHF'm	2023 CHF'm
Cash	**0.1**	0.1
Balance sheet exposure	**0.1**	0.1

Thai baht	2024 THB'm	2023 THB'm
Trade payables	**(2.2)**	–
Balance sheet exposure	**(2.2)**	–

Malaysian ringgit	2024 MYR'm	2023 MYR'm
Trade payables	**(1.1)**	–
Balance sheet exposure	**(1.1)**	–

South African rand	2024 ZAR'm	2023 ZAR'm
Trade payables	**(0.7)**	–
Balance sheet exposure	**(0.7)**	–

Foreign currency sensitivity

The following table details the Group sensitivity to a percentage change in pounds sterling against these currencies with regards to equity. The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on a 10% change taking place at the beginning of the financial period and held constant throughout the reporting period:

	2024 £m	2023 £m
Euro		
Weakening – 10%	**10.0**	0.9
Strengthening – 10%	**(10.0)**	(0.9)
US dollar		
Weakening – 10%	**1.0**	–
Strengthening – 10%	**(1.0)**	–
Swedish krona		
Weakening – 10%	**–**	0.2
Strengthening – 10%	**–**	(0.2)

The Group uses forward exchange contracts to hedge its foreign currency risk against sterling. The forward contracts have maturities of less than one year after the balance sheet date. Hedge ineffectiveness can arise from differences in timing of cash flows of the hedged item and hedging instrument, the counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

As a matter of policy the Group does not enter into derivative contracts for speculative purposes. The details of such contracts at the year end, by currency were:

	2024			2023		
EUR	Foreign currency €m	Notional value £m	Carrying amount £m	Foreign currency €m	Notional value £m	Carrying amount £m
30 September						
Less than 3 months	**97.4**	**83.7**	**(2.5)**	79.2	69.3	(0.5)
3 to 6 months	**19.7**	**17.0**	**(0.5)**	16.8	14.7	(0.1)
6 to 12 months	**72.6**	**62.4**	**(1.1)**	68.4	59.9	0.1
12+ months	**4.2**	**3.6**	**(0.1)**	3.9	3.4	–
Total	**193.9**	**166.7**	**(4.2)**	168.3	147.3	(0.5)

	2024			2023		
USD	Foreign currency $m	Notional value £m	Carrying amount £m	Foreign currency $m	Notional value £m	Carrying amount £m
30 September						
Less than 3 months	**14.3**	**11.2**	**(0.6)**	8.9	7.1	0.1
3 to 6 months	**5.3**	**4.1**	**(0.2)**	6.6	5.3	0.1
6 to 12 months	**7.5**	**5.8**	**(0.2)**	5.9	4.7	0.2
12+ months	**0.2**	**0.2**	**–**	0.1	0.1	–
Total	**27.3**	**21.3**	**(1.0)**	21.5	17.2	0.4

23 Financial instruments continued

MAD	2024 Foreign currency MAD'm	2024 Notional value £m	2024 Carrying amount £m	2023 Foreign currency MAD'm	2023 Notional value £m	2023 Carrying amount £m
30 September						
Less than 3 months	**1.7**	**0.1**	**–**	0.9	0.1	(0.1)
3 to 6 months	**0.1**	**–**	**–**	0.2	–	–
6 to 12 months	**0.1**	**–**	**–**	0.1	–	–
Total	**1.9**	**0.1**	**–**	1.2	0.1	(0.1)

The impact of the hedging instruments on the statement of financial position is as follows:

	Notional amount £m	Carrying amount £m	Line in the statement of financial position £m	Change in fair value £m
As at 30 September 2024				
Foreign exchange forward contracts	**188.1**	**(5.2)**	**Derivative financial instruments**	**(5.0)**
Interest Rate Swaps	**60.0**	**(0.1)**	**Derivative financial instruments**	**(0.1)**
As at 30 September 2023				
Foreign exchange forward contracts	164.5	(0.2)	Derivative financial instruments	(2.0)
Interest Rate Swaps	–	–	Derivative financial instruments	–

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances and derivative financial instruments, as well as credit exposures to customers, including outstanding receivables, financial guarantees and committed transactions. Credit risk is managed separately for treasury and operating related credit exposures. Customer credit risk is managed by the Group's business units which each have policies, procedures and controls relating to customer credit risk management. Outstanding trade receivables balances are regularly reviewed to monitor any changes in credit risk with concentrations of credit risk considered to be limited given that the Group's customer base is large and unrelated.

Trade receivables and other receivables

The ageing of trade receivables at the balance sheet date was:

	Not past due £m	Past due 0–90 days £m	Past due >90 days £m	Total £m
At 30 September 2024	**162.4**	**0.3**	**0.1**	**162.8**
At 30 September 2023	146.7	0.4	0.3	147.4

The ageing of other receivables at the balance sheet date was:

	Not past due £m	Past due 0–90 days £m	Past due >90 days £m	Total £m
At 30 September 2024	**21.5**	**–**	**–**	**21.5**
At 30 September 2023	10.5	–	–	10.5

In line with IFRS 9, the Group applies the simplified approach for the impairment of trade and other receivables and therefore does not track changes in credit risk, instead a loss allowance is recognised based on lifetime expected credit losses at each reporting date. The Group uses a provision matrix to measure expected credit losses based on historical cancellation and recovery rates and considers forward-looking factors, including the impact of rising cost of living and inflation rates.

Financial instruments and cash deposits

As part of credit risk, the Group is subject to counterparty risk in respect of the cash and cash equivalents held on deposit with banks and foreign currency financial instruments. The Group generally deposits cash and undertakes currency transactions with highly rated banks, and considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

No collateral or credit enhancements are held in respect of any financial derivatives. The maximum exposure to credit risk at each reporting date is the fair value of financial assets and trade receivables.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. It is Group policy to maintain a balance of funds, borrowing, committed bank loans and other facilities sufficient to meet anticipated short-term and long-term financial requirements. In applying the policy the Group continuously monitors forecast and actual cash flows against the maturity profiles of financial assets and liabilities. It is Group policy to ensure that a specific level of committed facilities is always available based on forecast working capital requirements. Cash forecasts identifying the Group's liquidity requirements are produced and are sensitised for different scenarios including, but not limited to, decreases in profit margins and weakening of sterling against other functional currencies.

The following are the contractual maturities of financial liabilities:

Financial liabilities at amortised cost	Carrying amount £m	Contractual cash flows £m	Within 1 year £m	1 to 5 years £m	> 5 years £m
At 30 September 2024					
Trade payables	**281.0**	**281.0**	**281.0**	**–**	**–**
Lease liabilities	**2.8**	**2.9**	**1.1**	**1.8**	**–**
Contract liabilities	**0.3**	**0.3**	**0.3**	**–**	**–**
Other payables	**22.3**	**22.3**	**22.3**	**–**	**–**
	306.4	**306.5**	**304.7**	**1.8**	**–**
At 30 September 2023					
Trade payables	236.4	236.4	236.4	–	–
Lease liabilities	4.5	4.7	1.8	2.9	–
Contract liabilities	5.9	5.9	5.9	–	–
Other payables	17.0	17.0	17.0	–	–
	263.8	264.0	261.1	2.9	–

Capital management

It is the Group's policy to maintain an appropriate equity capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

The capital structure of the Group consists of the net cash (borrowings disclosed in note 19) and equity of the Group as disclosed in note 21.

The Group is not subject to any externally imposed capital requirements.

24 Share-based payments

The following table illustrates the number of, and movements in, share options granted by the Group:

	LTIP No. of share options (thousands)	CSOP & RSA No. of share options (thousands)	Total No. of share options (thousands)
Outstanding at the beginning of the year	3,899	1,045	4,944
Granted during the year	3,536	–	3,536
Lapsed during the year	–	–	–
Exercised during the year*	(1)	(350)	(351)
Forfeited during the year	(1,915)	(103)	(2,018)
Outstanding at the year end	5,519	592	6,111
Exercisable	259	592	851

* The weighted average share price at the date of exercise was £1.502.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2024 was 4.09 years (2023: 4.21 years).

The exercise prices for options outstanding at the end of the year was £nil (2023: £nil).

LTIP

During the current and prior year, the Group awarded nil-cost options to certain key employees within the business. The vesting of these awards will be subject to continued employment. The fair value of equity-settled share-based payments has been estimated as at date of grant using the Black-Scholes model.

Award date	No. of options awarded	Share price at grant date (£)	Exercise price (£)	Expected volatility (%)	Option Life (years)	Risk free rate (%)	Dividend yield (%)	Non-vesting conditions (%)	Fair value at grant date (£)
24 Feb 2023 (no conditions)	2,221,629	1.610	Nil	0.00%	3.0	3.93%	0.00%	0.00	1.610
30 Jun 2023 (no conditions)	73,274	0.960	Nil	0.00%	0.5	4.93%	0.00%	0.00	0.960
3 Oct 2023 (no conditions)	3,536,050	1.004	Nil	0%	3.0	4.54%	0.00%	0.00	1.004

Expected volatility is estimated by considering historic average share price volatility at the grant date.

Restricted Share Award (nil-cost option) and CSOP

There were no new RSA or CSOP awards in the current or prior year.

The following has been recognised in the income statement during the year:

	2024 £m	2023* £m
LTIP	**2.2**	0.4
RSA	**0.1**	0.7
Total share scheme charge	**2.3**	1.1

* The prior period is restated for the effects of discontinued operations (see note 10).

25 Commitments and contingencies

a) Capital commitments

No new capital commitments.

b) Contingencies

In September 2010, proceedings were initiated against On the Beach Limited by Ryanair alleging infringement of, inter alia, its intellectual property rights. The amount of the claim is unquantified. In February 2024, On the Beach entered into a partnership with Ryanair and the legal proceedings in Ireland were placed on hold. On the Beach and Ryanair are working together to dispose of the proceedings permanently and an amicable resolution is expected in early 2025.

26 Related party transactions

No related party transactions have been entered into during the year.

Transactions with key management personnel have been disclosed in note 7(d).

27 Dividends paid

	2024 £m	2023 £m
Cash dividends on ordinary shares declared and paid		
Interim dividend for FY24: 0.9p per share (FY23: nil)	**1.5**	–

	2024 £m	2023 £m
Proposed dividends on ordinary shares		
Final cash dividend for FY24: 2.1p per share (FY23: nil)	**3.5**	–

Company Balance Sheet

AT 30 SEPTEMBER 2024

	Note	2024 £m	2023 £m
Fixed assets			
Investments	4	**163.4**	163.4
Current assets			
Debtors	5	**114.0**	119.9
Cash at bank		**0.1**	0.1
		114.1	120.0
Current liabilities			
Creditors: amounts falling due within one year	6	**(0.9)**	(1.0)
Net assets		**276.6**	282.4
Equity			
Share capital	7	**1.7**	1.7
Share premium		**89.6**	89.6
Merger reserve		**2.6**	2.6
Capital contribution reserve		**0.5**	0.5
Retained earnings		**182.2**	188.0
Total equity		**276.6**	282.4

The loss for the year ended 30 September 2024 dealt with in the financial statements of the Parent Company is £6.7m (2023: loss £4.8m).

The financial statements were approved by the Board of Directors and authorised for issue.

Jon Wormald
Chief Financial Officer

02 December 2024
On the Beach Group plc. Reg no 09736592

Company Statement of Changes in Equity

YEAR ENDED 30 SEPTEMBER 2024

	Share capital £m	Share premium £m	Merger reserve £m	Capital contribution £m	Retained earnings £m	Total £m
Balance at 30 September 2022	1.7	89.6	2.6	0.5	191.7	286.1
Share-based payment charges including tax	–	–	–	–	1.1	1.1
Total comprehensive loss for the year	–	–	–	–	(4.8)	(4.8)
Balance at 30 September 2023	1.7	89.6	2.6	0.5	188.0	282.4
Share based payments charges including tax	**–**	**–**	**–**	**–**	**2.4**	**2.4**
Dividends paid during the year*	**–**	**–**	**–**	**–**	**(1.5)**	**(1.5)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(6.7)**	**(6.7)**
Balance at 30 September 2024	**1.7**	**89.6**	**2.6**	**0.5**	**182.2**	**276.6**

* See note 27 to the consolidated financial statements for details.

Notes to the Company Financial Statements

1 Accounting policies

On the Beach Group plc is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') as issued in August 2014. These financial statements are presented in pounds sterling (£'m) because that is the currency of the primary economic environment in which the Company operates.

The financial information presented is at and for the years ended 30 September 2024 and 30 September 2023.

As permitted by section 408 of the Companies Act 2006, an entity profit and loss account is not included as part of the published consolidated financial statements of On the Beach Group plc. The loss for the year ended 30 September 2024 dealt with in the financial statements of the Parent Company is £6.7m (2023: loss £4.8m).

Under the provisions of FRS 102.1.12B, the Company is exempt from preparing a company statement of cash flows.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis.

The Directors have used the going concern principal on the basis that the current financial projections and facilities of the consolidated Group will continue operating for the foreseeable future.

Related party transactions

Under the provisions of FRS 102.33.1A, the Company is exempt from disclosing the details of related party transactions on the basis that they are wholly owned subsidiaries.

Accounting estimates and judgements

Investment in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable, if such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realisable value or value in use. Following the impairment in goodwill associated to the discontinued operations for Classic Collection Holidays, the Directors performed a full impairment review.

As Classic Collection Holidays Limited transferred its net assets to Classic Package Holidays Limited, the Directors determined that it is reasonable to treat this as a transfer of the cost of the investment to follow the asset which constitutes it. Therefore the Directors considered the value in use of the assets transferred to Classic Package Holidays through calculations using cash flow projections derived from financial budgets and projections covering a five-year period. The forecasts were then extrapolated in perpetuity based on an estimated growth rate of 2 percent (2023: 2 percent). In assessing value in use, the estimated future cash flows attributable to the assets were discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The discount rate used was 13.5% (2023: 14.6%). The Directors concluded that there was sufficient headroom to cover the value of investment and therefore no impairment has been recorded.

The Directors concluded that there was sufficient headroom to cover the value of investment and therefore no impairment has been recorded.

Net assets of the Parent Company exceed that of the consolidated Group primarily due to a capital reorganisation in 2015. The value of investments held combined with the amount owed by subsidiary undertakings is supported by net assets of the subsidiaries.

Details of the subsidiaries are listed in note 14 to the consolidated financial statements.

2 Directors' emoluments

The Company has no employees other than the Directors. Full detail of the Directors' remuneration and interests are set out in the Directors' Remuneration Report on pages 94 to 97.

3 Shared-based payments

The Company recognised total charge of £2.3m (2023: £1.1m) in the year in relation to the Long-Term Incentive Plan. Details of this scheme are described in note 24 to the consolidated financial statements.

4 Investments

The £132,613,000 investment in subsidiary undertakings made in 2015 relates to the capital reorganisation of the Group in 2015. On the Beach Group plc acquired On the Beach Travel Limited from its subsidiary On the Beach Bidco Limited for £30,749,667. On 30 September 2022, On the Beach Bidco Limited and On the Beach Topco Limited were placed into Members Voluntary Liquidation following the distribution of assets to On the Beach Group plc. On 30 September 2024 Classic Collection Holidays Limited transferred all trade and assets to Classic Package Holidays Limited, and operations relating to Classic Collection Holidays have been discontinued. Classic Package Holidays was then rebranded to Classic Collection Holdings, and has continued as a single cash generating unit.

The Directors have performed an annual impairment review, see note 1 for details.

5 Debtors

	2024 £m	2023 £m
Amounts falling due within one year:		
Amounts owed by Group undertakings	**111.8**	117.4
Prepayments	**1.4**	1.4
Deferred tax	**0.8**	1.1
	114.0	119.9

6 Creditors due within one year

	2024 £m	2023 £m
Current		
Accruals	**0.9**	1.0
	0.9	1.0

7 Called-up share capital

	2024 £m	2023 £m
Allotted, called up and fully paid		
166,991,435 Ordinary Shares @ £0.01 each (2023: 166,640,480 Ordinary Shares @ £0.01 each)	**1.7**	1.7
	1.7	1.7

The Group issued 350,995 with a nominal value of £0.01. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

8 Reserves

The analysis of movements in reserves is shown in the statement of changes in equity. Details of the amounts included in other reserves are set out below.

The merger reserve arose on the purchase of On the Beach TopCo Limited in the year ended 30 September 2015. The capital redemption reserve arose as a result of the redemption of preference shares in the year ended 30 September 2015.

9 Contingent liabilities and guarantees

The Company is a guarantor to a borrowing facility relating to a rolling credit facility provided to the Group. The amount borrowed under this agreement at 30 September 2024 was £nil (2023: £nil).

Glossary of alternative performance measures

APM: Adjusted earnings per share ('EPS') for continuing operations

Definition: Adjusted basic EPS is calculated on the weighted average number of Ordinary Shares in issue, using the adjusted profit after tax. Adjusted earnings after tax is based on profit after tax adjusted for amortisation of acquired intangibles, share-based payments and exceptional items. Amortisation of acquired intangibles is linked to the historical acquisitions of businesses. Share-based payments represents the non-cash costs, which fluctuates year on year. Exceptional items for 2024 consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the Group. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the Group and allow comparability to prior years.

Reconciliation to closest GAAP measure

Adjusted profit after tax (£m)	2024	Restated* 2023
Profit for the year	**20.2**	11.9
Share-based payments (net of tax)	**1.7**	0.9
Exceptional items (net of tax)	**(0.4)**	2.6
Fair value FX losses (net of tax)	**–**	0.6
Amortisation of acquired intangibles (net of tax)	**2.1**	4.1
Adjusted profit after tax	**23.6**	20.1

Adjusted basic EPS	2024	2023
Adjusted profit after tax	**23.6**	20.1
Basic weighted average number of Ordinary Shares (m)	**166.9**	166.5
Adjusted basic EPS (p)	**14.1p**	12.0p

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Adjusted EBITDA

Definition: Adjusted EBITDA is based on Group operating profit adjusted for depreciation, amortisation, share-based payments and exceptional items. Share-based payments represents the non-cash costs, which fluctuates year on year. Exceptional items for 2024 consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the Group. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the Group and allow comparability to prior years.

Reconciliation to closest GAAP measure

Adjusted EBITDA (£m)	2024	Restated* 2023
Operating profit	**21.2**	12.0
Depreciation and amortisation	**15.1**	15.0
Share-based payments	**2.3**	1.1
Exceptional items	**(0.6)**	3.3
Fair value FX losses	**–**	0.8
Adjusted EBITDA	**38.0**	32.2

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Adjusted profit before tax

Definition: Adjusted profit before tax is based on profit before tax adjusted for amortisation of acquired intangibles, share-based payments and exceptional items. Amortisation of acquired intangibles are linked to the historical acquisitions of businesses. Share-based payments represents the non-cash costs, which fluctuates year on year. Exceptional items for 2024 consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the Group. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the Group and allow comparability to prior years.

Reconciliation to closest GAAP measure

Adjusted profit before tax (£m)	2024	Restated* 2023
Profit before tax	**26.5**	14.4
Amortisation of acquired intangibles	**2.8**	5.2
Share-based payments	**2.3**	1.1
Exceptional items	**(0.6)**	3.3
Fair value FX losses	**–**	0.8
Adjusted profit before tax	**31.0**	24.8

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Classic Collection adjusted EBITDA

Definition: Classic Collection adjusted EBITDA is based on Classic Collection operating profit/(loss) before depreciation, amortisation, share-based payments charges and the impact of exceptional items. Exceptional items consists of recoveries of refunds from airlines which derive from events or transactions that fall outside of the normal activities of the segment. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years.

Reconciliation to closest GAAP measure

Adjusted Classic Collection EBITDA (£m)	2024	Restated* 2023
Classic Collection operating profit/(loss)	**1.1**	(0.8)
Depreciation and amortisation	**0.7**	0.9
Exceptional items	**(0.2)**	–
Share-based payments	**0.1**	–
Adjusted Classic Collection EBITDA	**1.7**	0.1

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Classic Collection EBITDA

Definition: Classic Collection EBITDA is based on Classic Collection operating profit/(loss) before depreciation and amortisation.

Reconciliation to closest GAAP measure

Classic Collection EBITDA (£m)	2024	Restated* 2023
Classic Collection operating profit/(loss)	**1.1**	(0.8)
Depreciation and amortisation	**0.7**	0.9
Classic Collection EBITDA	**1.8**	0.1

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Classic Collection adjusted gross profit

Definition: Classic Collection adjusted gross profit is based on Classic Collection gross profit before the impact of exceptional items. Exceptional items consists of restructuring and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the segment. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years.

Reconciliation to closest GAAP measure

Classic Collection adjusted gross profit (£m)	2024	2023
Revenue	**9.0**	6.0
Cost of sales	**(4.8)**	(3.7)
Expected credit losses	**–**	(0.1)
Classic Collection gross profit	**4.2**	2.2
Exceptional items	**(0.2)**	–
Classic Collection adjusted gross profit after marketing	**4.0**	2.2

APM: Classic Collection adjusted gross profit after marketing costs

Definition: Classic Collection adjusted gross profit after marketing costs is based on Classic Collection gross profit before the impact of exceptional items (reconciled above) and after marketing costs including marketing salaries.

Reconciliation to closest GAAP measure

Classic Collection adjusted gross profit after marketing costs (£m)	2024	2023
Classic Collection adjusted gross profit	**4.0**	2.2
Marketing costs	**(0.2)**	(0.7)
Classic Collection adjusted gross profit after marketing costs	**3.8**	1.5

APM: Classic Collection adjusted operating profit/(loss)

Definition: Classic Collection adjusted operating profit/(loss) is based on Classic Collection operating profit/(loss) before amortisation of acquired intangibles, share based payments and the impact of exceptional items. Exceptional items consists of recoveries of refunds from airlines which derive from events or transactions that fall outside of the normal activities of the segment. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years.

Reconciliation to closest GAAP measure

Classic Collection adjusted operating profit/(loss) (£m)	2024	2023
Classic Collection operating profit/(loss)	**1.1**	(0.8)
Amortisation of acquired intangibles	**0.6**	0.9
Exceptional items	**(0.2)**	–
Share-based payments	**0.1**	–
Classic Collection adjusted operating profit/(loss)	**1.6**	0.1

APM: Classic Collection TTV

Definition: Classic Collection TTV is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and adjustments.

Reconciliation to closest GAAP measure

Classic Collection TTV (£m)	2024	2023
Revenue	**9.0**	6.0
Costs* and amendments	**31.6**	22.0
Classic Collection TTV	**40.6**	28.0

* Costs relate to the gross costs for bookings made on an agent basis.

APM: Exceptional items

Definition: Exceptional items are certain costs/(income) that derive from events or transactions that fall outside of the normal activities of the Group. For 2024, exceptional items consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the Group. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the Group and allow comparability to prior years.

Reconciliation to closest GAAP measure

Exceptional items (£m)	2024	Restated* 2023
Exceptional costs	**4.2**	3.3
Exceptional recoveries	**(4.8)**	–
Exceptional items	**(0.6)**	3.3

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Group TTV

Definition: Group TTV is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and adjustments.

Reconciliation to closest GAAP measure

Group TTV (£m)	2024	Restated* 2023
Group revenue	**128.2**	112.1
Costs** and amendments	**1,036.7**	899.7
Group TTV	**1,164.9**	1,011.8

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

** Costs relate to the gross costs for bookings made on an agent basis.

APM: Group adjusted revenue

Definition: Group adjusted revenue is revenue adjusted for the impact of recoveries of refunds from airlines for 2024 and of fair value FX losses in 2023.

Reconciliation to closest GAAP measure

Group adjusted revenue (£m)	2024	Restated* 2023
Group revenue	**128.2**	112.1
Exceptional recoveries	**(4.8)**	–
Fair value FX loss	**–**	0.8
Group adjusted revenue	**123.4**	112.9

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Group adjusted gross profit

Definition: Group adjusted gross profit is gross profit adjusted for the impact of recoveries of refunds from airlines for 2024 and of fair value FX losses in 2023.

Reconciliation to closest GAAP measure

Group adjusted gross profit (£m)	2024	Restated* 2023
Group gross profit	**121.7**	106.4
Exceptional items	**(4.8)**	–
Fair value FX loss	**–**	0.8
Group adjusted gross profit	**116.9**	107.2

* The results for the year ended 30 September 2023 has been restated to exclude the results of discontinued operations included in that period (note 10).

APM: Long Haul TTV

Definition: Long Haul TTV is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and adjustments.

Reconciliation to closest GAAP measure

Long Haul TTV (£m)	2024	2023*
Group revenue	**128.2**	112.1
Costs** and amendments	**1,036.7**	899.7
Short Haul TTV	**(1,073.9)**	(942.4)
Long Haul TTV	**91.0**	69.4

* Restated to exclude revenue on a principal basis from discontinued operations (note 10)

** Costs relate to the gross costs for bookings made on an agent basis.

APM: OTB adjusted EBITDA

Definition: OTB adjusted EBITDA is based on OTB operating loss before depreciation, amortisation, impact of exceptional items and the non-cash cost of the share-based payment schemes. Exceptional items consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the segment. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years.

Reconciliation to closest GAAP measure

OTB adjusted EBITDA (£m)	2024	2023
OTB operating profit	**20.1**	12.8
Exceptional items	**(0.4)**	3.3
Fair value FX losses	**–**	0.8
Share-based payments	**2.2**	1.1
Depreciation and amortisation	**12.2**	9.9
Amortisation of acquired intangibles	**2.2**	4.2
OTB adjusted EBITDA	**36.3**	32.1

APM: OTB adjusted EBITDA as a percentage of adjusted revenue

Definition: OTB adjusted EBITDA as a percentage of adjusted revenue is based on the OTB adjusted EBITDA divided by the revenue generated in the OTB business before the impact of exceptional cancellations. Exceptional items consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the segment. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years.

Reconciliation to closest GAAP measure

OTB adjusted EBITDA as a percentage of adjusted revenue	2024	2023
Revenue	**119.2**	106.1
Exceptional items	**(4.6)**	–
Exceptional FX losses/gains	**–**	0.8
OTB adjusted revenue	**114.6**	106.9
OTB adjusted EBITDA	**36.3**	32.1
OTB adjusted EBITDA as a percentage of adjusted revenue	**32%**	30%

APM: OTB adjusted revenue

Definition: OTB adjusted revenue is revenue adjusted for the impact of recoveries of refunds from airlines for 2024 and of fair value FX losses in 2023. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years by virtue of their size and in order to reflect management's view of the performance of the segment.

Reconciliation to closest GAAP measure

OTB adjusted revenue (£m)	2024	2023
OTB revenue	**119.2**	106.1
Exceptional recoveries	**(4.6)**	–
Fair value FX losses	**–**	0.8
OTB adjusted revenue	**114.6**	106.9

APM: OTB adjusted operating profit

Definition: OTB adjusted operating profit is based on OTB operating profit/(loss) before the impact of exceptional items, amortisation of acquired intangibles and the non-cash cost of the share-based payment schemes. Amortisation of acquired intangibles are linked to the historical acquisitions of businesses. Share-based payments represents the non-cash costs, which fluctuates year on year. Exceptional items consists of restructuring, legal and professional costs and recoveries from airlines which derive from events or transactions that fall outside of the normal activities of the segment. Exceptional items for 2023 consists of restructuring and legal and professional costs. These costs/income are excluded by virtue of their size and in order to reflect management's view of the performance of the segment and allow comparability to prior years.

Reconciliation to closest GAAP measure

OTB adjusted operating profit (£m)	2024	2023
OTB operating profit	**20.1**	12.8
Exceptional items	**(0.4)**	3.3
Fair value FX losses	**–**	0.8
Share-based payments	**2.2**	1.1
Amortisation of acquired intangibles	**2.2**	4.2
OTB adjusted operating profit	**24.1**	22.2

APM: OTB EBITDA

Definition: OTB EBITDA is based on OTB operating profit before depreciation and amortisation.

Reconciliation to closest GAAP measure

OTB EBITDA (£m)	2024	2023
OTB operating profit	**20.1**	12.8
Depreciation and amortisation	**14.4**	14.1
OTB EBITDA	**34.5**	26.9

APM: OTB revenue after marketing costs and marketing spend % revenue

Definition: OTB revenue after marketing cost is statutory revenue after 'OTB' online and offline marketing costs (including marketing salaries).

Reconciliation to closest GAAP measure

OTB revenue after marketing costs (£m)	2024	2023
OTB Revenue	**119.2**	106.1
OTB online marketing costs	**(30.2)**	(26.0)
OTB offline marketing costs	**(12.2)**	(14.6)
OTB revenue after marketing costs	**76.8**	65.5
OTB marketing spend % revenue	**36%**	38%

APM: OTB TTV

Definition: OTB TTV is a non-GAAP measure representing the cumulative total transaction value of sales booked each month before cancellations and adjustments.

Reconciliation to closest GAAP measure

OTB TTV (£m)	2024	2023
OTB revenue	**119.2**	106.1
Costs* and amendments	**1,005.0**	877.7
OTB TTV	**1,124.2**	983.8

* Costs relate to the gross costs for bookings made on an agent basis.

APM: Overheads % adjusted revenue

Definition: Overheads as a percentage of revenue is based on the Group adjusted revenue divided by the overheads. Overheads consists of the administrative expenses excluding the depreciation and amortisation.

Reconciliation to closest GAAP measure

Overheads % revenue	2024	2023
Adjusted revenue (£m)	**123.4**	112.9
OTB overheads (£m)	**(34.2)**	(32.3)
Classic Collection overheads (£m)	**(2.1)**	(1.4)
Overheads % revenue	**29%**	30%

APM: Overheads % revenue

Definition: Overheads as a percentage of revenue is based on the Group revenue divided by the overheads. Overheads consists of the administrative expenses excluding the depreciation and amortisation.

Reconciliation to closest GAAP measure

Overheads % revenue	2024	2023
Revenue (£m)	**128.2**	112.1
OTB overheads (£m)	**(34.2)**	(32.3)
Classic Collection overheads (£m)	**(2.1)**	(1.4)
Overheads % revenue	**28%**	30%

APM: Overheads % TTV

Definition: Overheads as a percentage of TTV is based on the Group TTV divided by the overheads. Overheads is the administrative expenses excluding marketing costs, depreciation and amortisation.

Reconciliation to closest GAAP measure

Overheads % TTV	2024	2023
TTV (£m)	**1,164.9**	1,011.8.8
OTB overheads (£m)	**(34.2)**	(32.3)
Classic Collection overheads (£m)	**(2.1)**	(1.4)
Overheads % TTV	**3.1%**	3.3%

APM: Total marketing as % adjusted revenue

Definition: Marketing as a percentage of revenue is based on the Group adjusted revenue divided by the Group marketing costs including marketing salaries.

Reconciliation to closest GAAP measure

Revenue after marketing cost (£m)	2024	2023
Adjusted revenue	**123.4**	112.9
OTB marketing costs	**(42.4)**	(40.6)
Classic Collection marketing costs	**(0.2)**	(0.7)
Revenue after marketing costs	**80.8**	71.6
Marketing as % revenue	**35%**	37%

APM: Total marketing as % revenue

Definition: Marketing as a percentage of revenue is based on the Group revenue divided by the Group marketing costs including marketing salaries.

Reconciliation to closest GAAP measure

Revenue after marketing cost (£m)	2024	2023
Revenue	**128.2**	112.1
OTB marketing costs	**(42.4)**	(40.6)
Classic Collection marketing costs	**(0.2)**	(0.7)
Revenue after marketing costs	**85.6**	70.8
Marketing as % revenue	**33%**	37%

Shareholder information

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Cautionary statement

The purpose of this Annual Report is to provide information to the members of the Company. The Company and its Directors accept no liability to third parties in respect of this Annual Report save as would arise under English law.

This Annual Report contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of the Company. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "due", "will", "could", "may", "should", "would", "might", "shall", "expects", "believes", "intends", "plans", "targets", "goal", "estimates", "forecasts", "projects", "predicts", "continues", "assumes", "budget", "risk" or, in each case, their negative or other variations or words of similar meaning.

These forward-looking statements involve assumptions, known and unknown risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements, including factors outside the Company's control. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and, except to the extent required by law or regulation, will not be updated or revised, whether as a result of new information, future events or otherwise. This Annual Report shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or any member of its group since its date or that the information contained in it is correct as at any time subsequent to its date.

You should not place undue reliance on the forward-looking statements.

No statement in this Annual Report is intended as a profit forecast or a profit estimate or should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company. Past business and financial performance cannot be relied on as an indication of future performance.

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