3 December 2024

On the Beach Group plc
("On the Beach", "OTB", the "Company" or the "Group")

FINAL RESULTS FOR YEAR ENDED 30 SEPTEMBER 2024 ('FY24')

ANOTHER RECORD-BREAKING YEAR OF TTV, WITH ADJUSTED PBT +25% YOY, ADDRESSABLE MARKET EXPANSION AND ENHANCED CUSTOMER PROPOSITION

Financial overview

- Record TTV for the third consecutive year, up 15% to £1.2bn (FY23: £1.0bn).
- Revenue increased 14% to £128.2m (FY23: £112.1m).
- Further margin improvement with B2C Adjusted EBITDA margin at 31.7% (FY23: 30.0%).
- Adjusted profit before tax increased 25% to £31.0m[1] (FY23: £24.8m).
- Group profit before tax increased 84% to £26.5m (FY23: £14.4m).
- Group remains in a strong financial position with cash, excluding amounts held in trust, of £96.2m (30 September 2023: £75.8m).
- FY24 final dividend of 2.1p per share, full year 3.0p per share, representing 25% of net earnings, in line with capital allocation policy.
- Buyback of up to £25m announced, reflecting Board's confidence in the strategy and business model.

Strategic progress

- Delivered significant volume growth with Summer 24 passengers up 13% versus Summer 23.
- Signed transformational partnership agreement with Ryanair, improving OTB's customer experience, simplifying operations and enhancing scalability.
- Significant upgrades to technology, enabling expansion of addressable market at pace.
- Enhanced perks proposition reaching more customers, maintaining high levels of brand awareness and consideration, and increasing repeat bookings.
- Expansion into cities from Q4 FY24, fuelling the next stage of revenue growth while increasing the efficiency of marketing spend.
- Commenced international expansion through the sale of package holidays from the Republic of Ireland from Q4 FY24 with the launch of onthebeach.ie.

Current Trading and Outlook

- FY24 growth has continued into the new financial year with YTD TTV up 14% and bookings growth of 15% versus the prior year.
- Our forward order book is at record levels, Group Winter '24 YTD bookings currently +25%.

- We approach our key booking period in Q2 with significant momentum.
- Current trends and strategy give us confidence that Summer ‘25 will be significantly ahead of Summer ’24.
- The Board is confident in delivering FY25 Adjusted PBT in line with the Company-compiled consensus estimate of £37.9m.

Medium term ambition
The Board is pleased to set out the Group’s medium-term ambition to deliver:

- TTV of £2.5bn.
- EBITDA of £100m (40% of Revenue).
- Adjusted PBT of £85m.

Shaun Morton, Chief Executive Officer of On the Beach Group plc, commented:
“I am delighted to report yet another record-breaking performance this year, achieving Group TTV of £1.2 billion, representing our third consecutive year of revenue growth. With a 25% year on year increase in Group adjusted profit before tax, and a strong balance sheet, we are entering FY25 in better shape than ever.

“This performance was driven by a combination of initiatives, including the successful integration with Ryanair, ongoing investment in our proprietary technology platform and further enhancements to our differentiated customer proposition. The partnership has facilitated an improved customer journey for those booking Ryanair flights as part of an OTB package, whilst enabling increased operational efficiency and a greater focus on areas of strategic value. What’s more, the agreement and significant upgrades to our technology have supported a doubling of our addressable market, following the addition of city breaks to our offering alongside planned investment in Ireland.

“The positive momentum in FY24 has continued into the new financial year, with TTV 14% ahead of last year, indicating that customers continue to prioritise their spending on holidays. Winter ’24 volumes are currently at record levels, up 25% year on year, as customers seek winter sun or a European city break, and we anticipate Summer ‘25 to be significantly ahead of last year, with bookings to date supporting this.

“Our strategy and positive booking trends, underpinned by our track record of delivery, gives us every confidence in delivering on our medium-term ambition to double TTV to £2.5 billion, achieve EBITDA of £100 million and Adjusted PBT of £85m.”

[1] Consensus FY24 Adjusted profit before tax, per the Group’s Pre-Close Trading Update and corporate website on 25 September 2024, of £31.0m.

Analyst & investor briefing
A briefing for sell-side equity analysts and investors will be held today at 10.30am at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. For those unable to attend in person, there will be a conference call facility (no video), details of which can be obtained from FTI Consulting.

For further information:

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About On the Beach

On the Beach Group plc is one of the UK's largest online package holiday specialists, with significant opportunities for growth. Its innovative technology, low-cost base and strong customer-value proposition provides a structural challenge to legacy tour operators and online travel agents, as it continues disrupting the online retail of beach holidays. Its model is customer-centric, asset light, profitable and cash generative.

Cautionary statement

The purpose of this statement 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 statement save as would arise under English law.

This statement 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 statement 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 statement 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 contained in this document 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.

This statement together with the financial statements and investor presentation is available on www.onthebeachgroupplc.com

CEO review

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.

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.

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 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)

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.

5* (short haul beach holidays)

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.

Long haul (beach holidays)

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.

B2B

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.

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.

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.

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.

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 Financial Officer report

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		–

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 finalizing 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 amortization	(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 as at 2 Dec +11% Our forward book is at record levels and Group winter ‘24 YTD TTV is +27%. 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

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 were approved by the Board of Directors and authorised for issue.

Jon Wormald

Chief Financial Officer

2 December 2024

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).

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

Notes to the Consolidated Financial Statements

YEAR ENDED 30 SEPTEMBER 2024

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.

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 financial information set out herein does not constitute the Company's statutory accounts for the years ended 30 September 2024 or 2023 but is derived from those accounts. The financial information has been prepared using accounting policies consistent with those set out in the annual report and accounts for the year ended 30 September 2024. Statutory accounts for 2023 have been delivered to the Registrar of Companies, and those for 2024 will be delivered in due course. The auditors have reported on those accounts; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain any statements under Section 498(2) or (3) of the Companies Act 2006.

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.

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.classic-collection.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.

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.

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.

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 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.

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.

	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

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.

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 Limited 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.

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

			Right-of-use asset (note 17)		
	Freehold property* £m	Fixtures, fittings and equipment £m	Head office £m	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 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. 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 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 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	–	–

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

	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.

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 of 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

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)

USD	2024 Foreign currency $m	2024 Notional value £m	2024 Carrying amount £m	2023 Foreign currency $m	2023 Notional value £m	2023 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

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	–

Principal risks and uncertainties

The Board has carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. A summary of the nature of the risks currently faced by the Group is set out below. A more detailed explanation of the risks currently faced by the Group and how the Company seeks to mitigate those risks can be found in the risk management section of the Group's Annual Report and Accounts for the year ended 30 September 2024.

- Demand: 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.
- Customer health & safety: 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. The Group can be held liable for death/personal injury or illness suffered by customers that are the fault of any suppliers.
- Brand and consumer proposition: The Group relies on the strength of its brand and reputation to set it apart from competitors and attract customers to its 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.
- Operations: The Group has legal obligations to address significant changes or disruptions to customers' holidays. They might be caused by unpredictable events, both domestic and international, which could also impact business continuity.
- Talent: The Group relies on attracting and retaining talent in an area where there is a particularly high degree of competition.
- Supply - Major airline failure: In the event of a major airline failure, the Group 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.
- Flight supply: A lack of flight supply or limited capacity affects the Group's ability to meet consumer 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.
- Data & security: A major security breach, whether stemming from human error, deliberate action, a technology failure, or vulnerabilities in AI systems, could lead to unauthorised access or to misuse of our technology, customer data, employee data, and commercially sensitive information. and disruption to core business operations. This could result in significant financial loss, significant fines and reputational damage. The rapid development and integration of artificial intelligence also presents new challenges in data privacy, security, and regulatory compliance.
- Innovation, transformation and scalability: 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.
- Laws and regulations: The Group's 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. A breach of these laws or unfavourable changes to or interpretation of existing laws could adversely affect the Group's business and financial performance.
- Financial risk and liquidity: The risk that the Group has insufficient liquidity, does 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.

Statement of Directors' Responsibilities

The responsibility statement below has been prepared in connection with the Group's Annual Report & Accounts for the year ended 30 September 2024. Certain parts thereof are not included within this announcement. The Directors confirm, to the best of their knowledge and belief:

- 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

3 December 2024

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**	**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**	**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**	**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	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**	**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	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	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	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	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

*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: 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
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%