

Strategic Report (continued)

Directors Statement of Compliance with duty to promote the success of the Company (s172 Statement)

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

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

Corporate Governance

The Group maintain a corporate governance framework of Board and Committees to operate strategic and management decision making. Terms of reference and levels of authority and escalation are clearly defined and a calendar of regular Board and Committee meetings are held. Information is provided to the Board in advance of the meeting and decisions and minutes are recorded.

The Board are committed to a robust culture of governance, conduct and ethics reflecting the values of the Company and the Collinson Group. Decisions are made considering the impact on the long-term business strategy and considering the impact to multiple stakeholders.

Our Stakeholders

(i) Employees

The Company does not employ any employees directly, rather employees are employed by Collinson Central Services Ltd to perform activities across the Group. Collinson operates a framework for employee engagement, development, information and consultation. Investment in communication platforms has increased the flow of communication across the business and enabled continued operations as the Group took the decision for all staff to work remotely during the COVID-19 pandemic

Employee engagement and wellbeing is paramount to the success of the business. Collinson undertake a continuous employment engagement programme including performance, training and skills development. All employees are required to undergo fit and proper assessments to complete annual mandatory training programmes. We positively promote diversity in all areas of the business and support the health and wellbeing of all staff.

We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect. It is our policy to ensure that all employees are treated no less favourably on the grounds of disability and are not subject to unlawful discrimination. This policy applies to all aspects of employment including recruitment and selection processes, opportunities for training, development and promotion, and terms and conditions of employment. Through its policies, the company ensures that entry into, and progression within, the company is based solely on personal ability and competence to meet set job criteria. The company ensures that all our employment policies, practices and procedures are accessible for disabled people, providing reasonable adjustment where appropriate.

As a direct result of the Covid pandemic and the need to manage costs, we have continued to place some roles on the Governance furlough scheme and equivalent employment support programmes across the regions we operate in. We have continued to consult with all staff on a regular basis maintaining open and transparent communications regarding the impact of Covid on the operations and performance of the business.

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(ii) Suppliers and Outsourced arrangements

We outsource several functions including some aspects of our development lifecycle, where we use 3rd parties for application development. We outsource the provision of our lounge inventory through our network of lounges, where we work with 1,200+ lounges.

(iii) Clients

The Company has worked closely with its key clients, with a particular focus on any impacts COVID-19 may have had on their business activities. This has helped the Company to inform the recovery profile and associated business planning, as well as influence on future proposition needs.

(iv) Customers

The Company's propositions and digital services for customers was established well ahead of COVID-19. This capability, together with the investment in broader technology to support contactless transactions working which was undertaken in the prior financial year, has supported the development of the business for improved customer experience and safety.

(v) Shareholders

The parent undertaking of the Company is The Collinson Group Limited. Representation from The Collinson Group Limited on the Board is provided by Colin Evans (Chairman) and Mark Hampton (Group CFO). The Company aligns with Group values and operate business operations within group objectives. The Company report to the Group on performance, business strategy and return on investment.

Principal Decisions

Introduction

The Company defines a principal decision as any decision of the Board that is material to the Company and or is significant to any of its stakeholders. Thus, a key decision may include, but is not limited to:

- New business strategy or significant changes to existing strategy.
- Capital allocation decisions, including payments of dividends.
- Material corporate activity including acquisitions and disposals.
- Large-scale restructuring.
- Appointments to the Board.
- Decisions relating to major regulatory and or legal matters.

Below is the Company's statement regarding how stakeholder considerations are considered in relation to a specific Board decision during FY21.

Directors are required to have regard to the impact of their decisions on the broader stakeholder community when performing their duty to promote the success of the company under section 172 of the Companies Act 2006.

Papers supporting key decisions are received ahead of time prompting challenge and debate on the merits of proposed actions by management in the best interests of the Company.

The principal decision identified by the Board is set out below:

Implementation of Regular Rolling Reforecasts

During this financial year, the Board made the decision to implement a detailed regular rolling reforecasting process. Reforecasts are done monthly or quarterly as required by the Board. These reforecasts are highly data driven using the latest lounge visit information available which, coupled with input from internal expertise from our financial, commercial, and operational teams, enables the building of future visit, revenue, and cost

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projections. The decision to move to regular reforecasts recognises the need for the Company to be adaptable, reacting to the ever-changing business environment it operates within. The resulting output supports stronger short, medium, and long-term planning, including treasury planning.

(i) Employees

The Board considers employee engagement to be paramount to the success of introducing new processes. Regular reforecasts help to ensure that Company and employee targets and objectives are kept relevant and realistic, reflecting the current realities of the business environment. The Company maintains communication with its employees through regular meetings, use of technology communication platforms, roadmap discussions and prioritisation committees.

(ii) Suppliers

There was no material impact on suppliers arising from the move to regular reforecasting.

(iii) Clients

We work closely with our key clients and their business activities to understand their needs. The insight gained through the reforecasting process, especially around lounge visit trends and future lounge visit projections, can be shared with key clients to support their own business forecasting and planning processes.

(iv) Customers

There was no material impact on customers arising from the move to regular reforecasting.

(v) Shareholders

This venture was beneficial for the shareholders to give a more accurate forecast of future performance, growth and profitability, which gives shareholders improved insight into their potential ROI.

Future outlook

The impact of COVID-19 to date and the ongoing uncertainty as to how the pandemic will evolve will undoubtedly have an impact on profits for FY22. However, we remain confident that the actions we have taken to date as detailed in the Going Concern section of Directors' Report will underpin our recovery from these unprecedented times and support the Company in returning to a position of sustained revenue growth in the years ahead. The continued investment in the development of our people, assets and technology in the Company has been vital in driving the success of our business to date and will continue to be fundamental in the growth of the business going forward.