Registered number: 03228538

# THE APPOINTMENT GROUP LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2019

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | S Barrass<br>N J Boyd<br>J Gianquitto<br>M Salter<br>J L Penny |
| **Registered number** | 03228538 |
| **Registered office** | The Linen House<br>253 Kilburn Lane<br>London<br>W10 4BQ |
| **Independent auditor** | Nexia Smith and Williamson<br>Chartered Accountants & Statutory Auditor<br>25 Moorgate<br>London<br>EC2R 6AY |

THE APPOINTMENT GROUP LIMITED

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## GROUP STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2019

**Introduction**

The directors present their Group Strategic Report for The Appointment Group Limited for the year ended 31 December 2019.

**Principal Activities**

TAG is one of the world's leading travel and event management companies providing services to the entertainment & media, corporate and events markets in the UK, the USA, the Far East and Australasia. The business operates the following core divisions;

1. *Touring:* TAG is a global leader in providing travel management services for music tours from worldwide established major music artists and bands through to new acts on their first tour.

2. *Corporate:* TAG brings the high touch service of its entertainment & media division to its corporate customers across a range of sectors including hedge funds, private equity, management consulting, banking, finance and entertainment as well as senior C-suite personnel.

3. *Events:* TAG provides event organisation including conferences, product launches, incentive travel, celebrations and activity days for both corporate and private customers.

4. *Private Travel:* TAG's Private Travel division provides a luxury travel and concierge service creating bespoke escapes for high net-worth individuals, celebrities and VIPs.

5. *Film & Media:* TAG has a dedicated Film and Media division that specialises in managing travel and logistics for major production companies and independent studios.

**Business review**

The pro-forma performance of the Company and its subsidiaries ("Group") for the year ended 31 December 2019 was as follows:

| | The Appointment Group Limited | |
|---|---|---|
| | **2019** | *2018* |
| | **£'000** | *£'000* |
| Gross sales value | 229,871 | *201,184* |
| Net turnover | 30,312 | *24,883* |
| Net turnover to gross sales | 13% | *12%* |
| **Operating profit** | **4,683** | *321* |
| Add - Depreciation & Amortisation | 2,279 | *1,702* |
| Add - Intangible impairment | Nil | *237* |
| **EBITDA** | **6,962** | *2,260* |
| Add - Exceptional items | 301 | *1,266* |
| Add - Australia & Singapore | 374 | *1,728* |
| **Pro-forma EBITDAE*** | **7,637** | *5,254* |

**Earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and trading results in Australia and Singapore.*

The Directors reference EBITDAE as a key indicator of performance of the Group's core trading activities. This excludes exceptional items and start-up losses in the APAC region and in turn reflects the underlying trading performance of the Group.

It is pleasing to report that The Group's pro-forma EBITDAE for the 12 months ended 31 December 2019 was £7.6m and this compares favourably to the EBITDAE of £5.3m in the 12 months ended 31 December 2018. This performance was in line with the expectation set out in the strategic plan. The Group has seen an increase in gross sales value of 14%, driven by greater volumes with existing and new customers, as well as the full year impact of the SOS acquisition in July 2018. Furthermore, it is pleasing to report that start-up losses in Australia and Singapore have reduced significantly as sales growth has been achieved with a reduced cost base following a successful operational restructure of those businesses.

The SOS acquisition made in July 2018 has been successfully integrated into The Group and performed better than expectation in the year to 31 December 2019.

During the year, The Group invested heavily in the development of its technology platform with a view to achieving efficiencies across both front line and back office functionality.

During the year The Group hired a new Chief Financial Officer, a Chief Technology Officer and a Chief People Officer as part of the continued enhancement of the management team.

**Results and dividends**

The Group's turnover for the year to 31 December 2019 was £30,312k (*2018: 24,883k*) and the profit after taxation was £3,422k (*2018 loss: £796k*). The directors do not recommend a dividend for the year (*2018: £Nil*).

**Key performance indicators**

The Group and its subsidiaries monitor a number of key performance indicators in respect of the sales, profit and cash performance of the Company. This is primarily achieved through the comprehensive weekly and monthly monitoring of sales volumes and value and regular analysis and forecasting of cash receipts and payments.

**Principal risks and uncertainties**

The principal risks and uncertainties arising from both internal and external factors that could impact the Group's performance and the related mitigating activities to manage that risk are considered below. The Group has risk management processes to identify, monitor and evaluate such issues as they emerge, enabling the Board to take appropriate action where possible.

***Economic and market risk***
The economic environment has an impact on the performance of the Group. Uncertainty in the global economy driven by Brexit and trade issues between the US and China could impact demand for the Group's services. Further, the Group is exposed to market risks associated with the operations of competitor travel management companies and key suppliers.

The Group has a geographically diversified service offering which allows mitigation of economic risk. The Group has performed well against its peers and continues to focus on offering a high quality, high touch service to its clients. The Group's processes and investment in technology allow it to be well placed to react to changes in market conditions.

***Currency risk***
The Group operates in countries across the globe and fluctuations in foreign exchange rates can impact performance. The Group adopts natural and contracted hedges to mitigate this risk.

***Credit risk***
The Company's main credit risk relates to the recoverability of amounts owed by trade debtors. The directors set credit limits and terms for all trade debtors based on third party reference and payment history of new and existing trade debtors. These are reviewed on a day-to-day basis.

***Liquidity risk***
The availability of sufficient working capital and banking facilities is key to ensuring the Group can meet its obligations and to support investment plans to drive long term growth. The directors regularly review both short- and long-term cash flow as well as performance forecasts to effectively manage liquidity.

***Regulatory risk***
The Group is subject to regulatory requirements relevant to the travel industry. Failure to adhere to these requirements can have a significant impact on the Group's trading ability as well as resulting in fines. The directors, with support of relevant third-party advisers regularly review the regulatory environment and requirements of the Group, ensuring internal processes are sufficient and appropriate to allow adherence to these requirements.

**Principal risks and uncertainties (continued)**

***Risk and uncertainties - COVID-19***
The start of March 2020 saw Governments in the three key markets that we operate in implement numerous measures to slow the spread of COVID-19. These included;

1. On the 12 March the President of the United States announced sweeping travel restrictions, including banning travel between the United States and Europe, followed by on the 14 March banning travel between the United States and the United Kingdom and;

2. On the 23 March the UK Government announced several preventative measures, some of which had the impact of stopping any non-critical domestic or international travel as well as stopping any gatherings of more than two people in public and;

3. On the 15 March the Australia Government imposed a requirement for all travellers entering Australia to self-quarantine for 14 days, followed up by a full closure of internal state borders in early April.

These actions had an immediate detrimental impact on booking volumes across all regions and divisions within The Group and more widely across the whole of the global business and leisure travel industry. As noted in note 2.3, the full financial impact of COVID-19 on The Group at this present time is uncertain, The Group expects the impacts of COVID-19 to adversely impact the financial statements for the year ending 31 December 2020.

However, The Group has subsequent to the year-end taken rapid steps to minimise the impact of the COVID-19 outbreak. The Group is pleased to announce that its ultimate parent Project Global Topco Limited has, via its subsidiary Project Global Bidco Limited secured a comprehensive £15.0m funding package from its loan note holders and bankers that will support The Group during its recovery from the impact of COVID-19. A summary of the detailed measures taken are;

1. The Group has utilised all available government schemes that support the retention of employees, including the Job Retention Scheme in the United Kingdom and the Jobkeeper Payment in Australia and;

2. The ultimate parent company of The Group, Project Global Topco Limited has, via its subsidiary Project Global Bidco Limited, secured £10m of additional loan commitments from our existing loan note holders, £5m at an interest rate of 10% per annum, in line with the terms of the existing loan notes, this has been drawn down at the date of signing these accounts and £5m in the form of a commitment letter from the loan note holders of the Parent Company, Project Global Topco Limited to the Parent Company and to the Bank and;

3. The Company has secured £5m of loan support from The Group's bankers, Santander plc, via the Coronavirus Business Interruption Loan Scheme 'CBILS'. This loan is provided at a rate of 3.8% plus the Bank of England base rate and £5m of this loan commitment has been drawn down at the date of signing these accounts and;

4. The Group has aligned its day to day operating cost base and in turn liquidity with the current revenues being generated by The Group. This has, unfortunately, resulted in a reduction in the number of employees in The Group.

The Group has prepared a very prudent and cautious base case trading forecast for the next 12 months with an expectation that volumes will not return to 2019 levels until the latter part of 2021 in all divisions. This forecast was also adjusted to reflect the funding sensitivity resulting from a 12-month delay in the base case plan. The comprehensive £15.0m funding commitments that have been formally secured by The Group's ultimate parent company Project Global Topco Limited, via its subsidiary Project Global Bidco Limited were based on this adjusted 'delayed' case forecast. Additionally, the Group's ultimate parent, Project Global Topco Limited has undertaken to provide continuing financial support for at least a twelve-month period from the date of these accounts.

The strict restrictions put in place earlier on this year across the globe are now starting to slowly ease and we remain confident that The Group's principal activities will thrive when international travel and mass attendance at events start to recover. The Group has already started to see an improvement in monthly revenues and concerted efforts are already underway by several Governments across the world to open up key business travel routes and mass attendance of sporting and entertainment events, which will further support the recovery in The Group's revenues.

Based on the assumptions in the trading forecasts the directors believe that The Group is appropriately capitalised with the £15.0m funding package set out above providing sufficient liquidity to fund operations over the next 12 months and beyond, from the date of signing these accounts.

**Group strategy and outlook**

As noted within note 2.3 in these financial statements, COVID-19 is expected to have an adverse impact on profitability in 2020. Social distancing measures and border closures have had a significant adverse impact on the travel sector in particular.

The Group's parent company Project Global Bidco Limited has agreed comprehensive financing facilities with existing loan note holders and its bankers. The Group is undertaking a restructuring program to minimise cost in line with the adverse impact of COVID-19 on revenues. The Group expects that these measures, along with diligent cash flow management will support operations through to expected recovery in 2021.

The long-term outlook for the markets in which The Group operates remains positive with recovery then growth expected in all sectors. Changes in market dynamics are also having a positive impact on the outlook for The Group, with music artists generating most of their revenues from touring which in turn will support growth in The Group's touring business.

**S172 reporting disclosure**

As required by Section 172 of the UK's Companies Act, a director of a company must act in the way he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to the:

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

*Decision making*

The board undertakes monthly meetings in which the performance against budget and strategic plans of the business are reviewed in detail.
The annual budget and strategic plan for the next financial year is produced prior to the end of the current financial year.

*Interests of the company's employees*

An annual employee engagement survey is undertaken in order to capture the views of employees on key areas impacting their development and wellbeing. The results of these surveys are reviewed at a board level and at an operational management level to ensure that appropriate actions are taken to address these key areas.
Directors attend an annual conference held in each region to communicate performance and strategy to employees.

*Fostering business relationships*

The Directors actively manage our customers, suppliers and other key stakeholders. The Board is appraised of all key developments with our various stakeholders.

*Impact on community and environment*

The business undertakes regular charity fundraising events across all regions.

*Reputation*

The Group has invested heavily in its values programme and all employees are encouraged to operate within the values framework. All employees are required to undertake a half-yearly and annual performance reviews and this process requires employees to directly address how their performance and behaviours have been in line with the company's values, whilst ensuring that standards are maintained through assessment of performance and corrective action where deemed necessary.

## GROUP STRATEGIC REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2019

This report was approved by the board and signed on its behalf.

Jens Penny (Dec 23, 2020 12:41 GMT)

**J L Penny**
Director

Date: 23/12/2020

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

**Principal activity**

The principal activity of the Company during the year under review was that of the holding company for the subsidiaries of The Appointment Group Limited.

The principal activity of the Group during the year under review was that of a group of travel management agents.

**Directors**

The directors who served during the year were:

S Barrass
N J Boyd
J Gianquitto
M Salter
N P Stone (resigned 29 March 2019)
J L Penny (appointed 23 April 2019)

**Matters covered in the strategic report**

Where necessary, disclosures relating to principal risks and uncertainties, future developments and results and dividends have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2019

**Post balance sheet events**

On 23 January 2020, The Appointment Group LLC, a wholly owned subsidiary of The Group, acquired certain customer related assets constituting the touring travel management business of Leeds Enterprises Inc, for a total consideration of US$8.25m including future earn-out payments.

On the 16 November 2020 the Company obtained a £5m loan from Santander plc, under the UK Government's Coronavirus Business Interruption Loan Scheme. This loan was obtained at an interest rate of 3.8% plus the Bank of England base rate and £5m of this loan commitment has been drawn down at the date of signing these accounts.

COVID-19
The onset of the COVID 19 virus has been treated as a non-adjusting post balance sheet event. Accordingly, the assessment of carrying values in the balance sheet at 31 December 2019 has not been adjusted to reflect the consequences of the virus on expected cash flows subsequent to that date.

**Auditor**

The auditor, Nexia Smith and Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Jens Penny (Dec 23, 2020 12:41 GMT)

**J L Penny**
Director

Date: 23/12/2020

## DIRECTORS' RESPONSIBILITIES STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE APPOINTMENT GROUP LIMITED

**Opinion**

We have audited the financial statements of The Appointment Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Emphasis of matter - impact of COVID-19**

We draw attention to note 2.3 of the financial statements, which describes the impact of COVID-19 on the Group. Our opinion is not modified in respect of this matter.

**Other information**
The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

*We have nothing to report in this regard.*

**Opinion on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**
As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Nexia Smith & Williamson
Nexia Smith & Williamson (Dec 23, 2020 14:02 GMT)

Stephen Drew (Senior Statutory Auditor)

for and on behalf of
**Nexia Smith and Williamson**

Chartered Accountants
Statutory Auditor

25 Moorgate
London
EC2R 6AY
Date: 23/12/2020

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019<br>£000 | *2018*<br>*£000* |
|---|---|---|---|
| Turnover | 4 | **30,312** | *24,883* |
| **Gross profit** | | **30,312** | *24,883* |
| Administrative expenses | | **(25,629)** | *(24,562)* |
| **Operating profit** | 5 | **4,683** | *321* |
| Interest payable and expenses | 9 | **-** | *(3)* |
| **Profit before taxation** | | **4,683** | *318* |
| Taxation | 10 | **(1,261)** | *(1,114)* |
| **Profit/(loss) for the financial year** | | **3,422** | *(796)* |
| Currency translation differences | | **(108)** | *350* |
| **Other comprehensive (loss)/income for the year** | | **(108)** | *350* |
| **Total comprehensive income/(loss) for the year** | | **3,314** | *(446)* |

Profit/(loss) and total comprehensive income/(loss) for the year is attributable to the owners of the parent.

The notes on pages 23 to 46 form part of these financial statements.

# CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2019

| | Note | | 2019 £000 | | 2018 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 11 | | **5,187** | | *5,256* |
| Tangible assets | 12 | | **975** | | *841* |
| | | | **6,162** | | *6,097* |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 14 | **155** | | - | |
| Debtors: amounts falling due within one year | 14 | **11,096** | | *9,463* | |
| Cash at bank and in hand | 15 | **3,527** | | *2,524* | |
| | | **14,778** | | *11,987* | |
| Creditors: amounts falling due within one year | 16 | **(12,842)** | | *(12,430)* | |
| **Net current assets/(liabilities)** | | | **1,936** | | *(443)* |
| **Total assets less current liabilities** | | | **8,098** | | *5,654* |
| Creditors: amounts falling due after more than one year | 17 | | **(23)** | | *(917)* |
| **Provisions for liabilities** | | | | | |
| Deferred taxation | 18 | **(57)** | | *(33)* | |
| | | | **(57)** | | *(33)* |
| **Net assets** | | | **8,018** | | *4,704* |
| **Capital and reserves** | | | | | |
| Called up share capital | 19 | | **60** | | *60* |
| Share premium account | 20 | | **2,998** | | *2,998* |
| Capital redemption reserve | 20 | | **6** | | *6* |
| Other reserves | 20 | | **(985)** | | *(985)* |
| Share option reserve | 20 | | **52** | | *52* |
| Retained earnings | 20 | | **5,887** | | *2,573* |
| **Total capital and reserves** | | | **8,018** | | *4,704* |

## CONSOLIDATED BALANCE SHEET (CONTINUED)
## AS AT 31 DECEMBER 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Jens Penny (Dec 2[illegible] 2020 12:41 GMT)

**J L Penny**
Director

Date: 23/12/2020

The notes on pages 23 to 46 form part of these financial statements.

# COMPANY BALANCE SHEET
## AS AT 31 DECEMBER 2019

| | Note | | 2019 £000 | | 2018 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investments | 13 | | 7,151 | | 7,151 |
| | | | 7,151 | | 7,151 |
| Creditors: amounts falling due within one year | 16 | (9,162) | | (8,452) | |
| **Net current liabilities** | | | (9,162) | | (8,452) |
| **Total assets less current liabilities** | | | (2,011) | | (1,301) |
| **Net liabilities** | | | (2,011) | | (1,301) |
| **Capital and reserves** | | | | | |
| Called up share capital | 19 | | 60 | | 60 |
| Share premium account | 20 | | 2,998 | | 2,998 |
| Capital redemption reserve | 20 | | 6 | | 6 |
| Other reserves | 20 | | (1,160) | | (1,160) |
| Share option reserve | 20 | | 52 | | 52 |
| Retained earnings brought forward | | (3,257) | | (2,452) | |
| Loss for the year | | (710) | | (805) | |
| Retained earnings carried forward | 20 | | (3,967) | | (3,257) |
| **Total capital and reserves** | | | (2,011) | | (1,301) |

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Jens Penny (Dec 23, 2020 12:41 GMT)

**J L Penny**
Director

Date: 23/12/2020

The notes on pages 23 to 46 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2019

| | Called up share capital £000 | Share premium account £000 | Capital redemption reserve £000 | Other reserves £000 | Share option reserve £000 | Retained earnings £000 | Total equity £000 |
|---|---|---|---|---|---|---|---|
| **At 1 January 2018** | **60** | **2,998** | **6** | **(985)** | **52** | **3,019** | **5,150** |
| Loss for the year | - | - | - | - | - | (796) | (796) |
| Currency translation differences | - | - | - | - | - | 350 | 350 |
| **Total comprehensive income for the year** | - | - | - | - | - | (446) | (446) |
| **At 1 January 2019** | **60** | **2,998** | **6** | **(985)** | **52** | **2,573** | **4,704** |
| Profit for the year | - | - | - | - | - | 3,422 | 3,422 |
| Currency translation differences | - | - | - | - | - | (108) | (108) |
| **Total comprehensive income for the year** | - | - | - | - | - | 3,314 | 3,314 |
| **At 31 December 2019** | **60** | **2,998** | **6** | **(985)** | **52** | **5,887** | **8,018** |

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2019

| | Called up share capital | Share premium account | Capital redemption reserve | Other reserves | Share option reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **At 1 January 2018** | **60** | **2,998** | **6** | **(1,160)** | **52** | **(2,452)** | **(496)** |
| Loss for the year | - | - | - | - | - | **(805)** | **(805)** |
| **Total comprehensive income for the year** | - | - | - | - | - | **(805)** | **(805)** |
| **At 1 January 2019** | **60** | **2,998** | **6** | **(1,160)** | **52** | **(3,257)** | **(1,301)** |
| Loss for the year | - | - | - | - | - | **(710)** | **(710)** |
| **Total comprehensive income for the year** | - | - | - | - | - | **(710)** | **(710)** |
| **At 31 December 2019** | **60** | **2,998** | **6** | **(1,160)** | **52** | **(3,967)** | **(2,011)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019 £000 | *2018 £000* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the financial year | **3,422** | *(796)* |
| **Adjustments for:** | | |
| Amortisation of intangible assets | **1,986** | *1,439* |
| Depreciation of tangible assets | **293** | *263* |
| Impairments of intangible assets | **-** | *237* |
| Interest paid | **-** | *3* |
| Corporation tax refund | **1,261** | *1,114* |
| (Increase)/decrease in debtors | **(512)** | *474* |
| Increase in amounts owed by parent undertaking | **(1,221)** | *(1,931)* |
| Increase in creditors | **103** | *1,839* |
| Corporation tax paid | **(1,067)** | *(854)* |
| Foreign exchange movement on working capital | **9** | *(96)* |
| **Net cash generated from operating activities** | **4,274** | *1,692* |
| **Cash flows from investing activities** | | |
| Purchase of intangible fixed assets | **(2,039)** | *(2,096)* |
| Purchase of tangible fixed assets | **(451)** | *(442)* |
| Deferred consideration paid | **(892)** | *-* |
| **Net cash from investing activities** | **(3,382)** | *(2,538)* |
| **Cash flows from financing activities** | | |
| Interest paid | **-** | *(3)* |
| **Net cash used in financing activities** | **-** | *(3)* |

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019<br>£000 | 2018<br>£000 |
|---|---|---|
| **Net increase/(decrease) in cash and cash equivalents** | **892** | *(849)* |
| Cash and cash equivalents at beginning of year | **2,024** | *2,873* |
| **Cash and cash equivalents at the end of year** | **2,916** | *2,024* |
| **Cash and cash equivalents at the end of year comprise:** | | |
| Cash at bank and in hand | **3,527** | *2,524* |
| Bank overdrafts | **(611)** | *(500)* |
| | **2,916** | *2,024* |

## CONSOLIDATED ANALYSIS OF NET DEBT
## FOR THE YEAR ENDED 31 DECEMBER 2019

| | At 1 January 2019 £000 | Cash flows £000 | At 31 December 2019 £000 |
|---|---|---|---|
| Cash at bank and in hand | 2,524 | 1,003 | 3,527 |
| Bank overdrafts | (500) | (111) | (611) |
| | 2,024 | 892 | 2,916 |

## 1. General information

The Appointment Group Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 03228538). The registered office address is The Linen House, 253 Kilburn Lane, London, W10 4BQ.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

**Parent Company disclosure exemptions**

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- the exemption from preparing a Statement of Cash Flows;
- the exemption from disclosing key management personnel compensation
- reduced disclosures for share based payments; and
- Disclosures in respect of the Parent Company's financial instruments have not been presented.

This information is included in the consolidated financial statements of Project Global Topco Limited, the ultimate Parent Company, as at 31 December 2019 and these financial statements may be obtained from The Linen House, 253 Kilburn Lane, London, W10 4BQ.

The following principal accounting policies have been applied:

### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Parent Company and its wholly owned subsidiaries ("the Group") as if they form a single entity. Intercompany transactions, balances between group companies and any unrealised gains and losses arising on intra-group transactions are eliminated in preparing these financial statements.

## 2. Accounting policies (continued)

### 2.3 Going concern

The financial statements of the Group and Company have been prepared on a going concern basis, which reflects the continuity of business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report on pages 5 and 8.

As at 31 December 2019, the Group had net assets of £8,018k and a total comprehensive income for the financial year of £3,314k.

Since the year ended 31 December 2019, the onset of COVID-19 has had an immediate detrimental impact on booking volumes across all regions and divisions within The Group and more widely across the whole of the global business and leisure travel industry.

The Group has prepared a very prudent and cautious base case trading forecast for the next 12 months with an expectation that volumes will not return to 2019 levels until the latter part of 2021 in all divisions. Furthermore the Group has also prepared a forecast assuming a worst-case scenario of no revenues for the next 12 months. Under the worst-case scenario, the Group has sufficient funding to continue its operations for a period of at least 12 months from the date of signing these financial statements, which utilises the £5m commitment from the loan note holders of the Parent Company, Project Global Topco Limited entered into on 16 November 2020.

Based on the assumptions in the trading forecasts the directors believe that The Group and its ultimate controlling party, Apiary Capital Partners I Gp Llp are appropriately capitalised with the comprehensive funding package obtained by The Group's parent company providing sufficient liquidity to fund operations over the next 12 months and beyond, from the date of signing these accounts. As such the Groups' Directors believe the going concern basis remains appropriate as:

1. The Group has taken rapid actions to mitigate the impact of COVID-19 as outlined in the Strategic Report;

2. The Group has secured a £5m loan with its bankers under the Coronavirus Business Interruption Loan Scheme ('CBILS');

3. The Group has received an undertaking from the Project Global Topco Group to continue to provide financial support for at least a twelve-month period from the date of these accounts; and

4. At the time of signing the accounts the Group was ahead of its COVID-19 revenue and profit forecasts.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern or should the impact of COVID-19 last for a longer period than forecast.

## 2. Accounting policies (continued)

### 2.4 Business combinations

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.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values and the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

- Commission turnover is recognised when the supplier is paid apart from hotel commissions which are recognised on a cash basis.
- Where the Group acts as agent rather than principal, turnover is recognised on the net basis as the amount of margin earned on the transaction.

### 2.6 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

| | | |
|---|---|---|
| Trademarks | - | 6 years on a straight-line basis |
| Computer software | - | 3-5 years on a straight-line basis |

## 2. Accounting policies (continued)

### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Leasehold improvements | - | 7 years on a straight-line basis |
| Motor vehicles | - | 3 years on a straight-line basis |
| Fixtures and fittings | - | 7 years on a straight-line basis |
| Computer equipment | - | 4 years on a straight-line basis |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

### 2.8 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in the Consolidated Statement of Comprehensive Income.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

## 2. Accounting policies (continued)

### 2.9 Financial instruments (continued)

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

### 2.10 Foreign currency translation

***Functional and presentation currency***

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

## 2. Accounting policies (continued)

### 2.11 Share based payments

The Parent Company and Group has applied the requirements of FRS 102 section 26 'Share-based Payments'.

Where the subsidiary issues equity-settled share-based payments to certain employees. The options are settled by the Parent Company. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity share-based payments is expensed on a straight-line basis over the period in which the options are expected to be exercised.

Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

### 2.12 Leases

Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to enter into an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.13 Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to the Consolidated Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Balance Sheet.

## 2. Accounting policies (continued)

### 2.14 Interest income

Interest income is recognised in Statement of Comprehensive Income using the effective interest method.

### 2.15 Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Comprehensive Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

### 2.16 Interest payable

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2. Accounting policies (continued)

### 2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 2.18 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

### 2.19 Pensions

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following critical judgments made by management in applying the Parent Company's and Group's accounting policies have the most significant impact on the amounts recognised in the financial statements.

**Critical accounting estimates and assumptions**
The Company and Group makes estimates and assumptions concerning the future. The resulting accounting estimate will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are considered by the directors to be the following:

**Useful life of goodwill & other intangible assets**
Intangibles arising on acquired businesses and are being amortised over a six year period (note 11). The Group continually monitors this policy and the performance of the assets acquired including ongoing trading performance and will amend the estimate of the useful life should it be required.

**Impairment of trade receivables**
The Company and the Group makes an estimate of the recoverable value of trade receivables (note 14). When assessing impairment, management considers factors including the current credit rating of the customer, the ageing profile of the receivable and historical experience.

**Recoverability of intra-group loans**
The Company has provided loans to a fellow subsidiary company which are repayable on demand (note 14). Loans are impaired to their recoverable value should the counterparty not have sufficient resources to repay the loan on demand after taking all possible steps including the sale of trade and assets.

**Financial instruments classification**
The classification of financial instruments as “basic” or “other” requires judgment as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

**Deferred and contingent consideration**
Deferred and contingent consideration in relation to the acquisition has been included based on management's best estimate of the fair value of the consideration due. Details of this are set out in note 16 (Creditors: amounts falling due within on year) and note 17 (Creditors: amounts falling due after more than one year).

## 4. Turnover

An analysis of turnover by class of business is as follows:

| | 2019 £000 | 2018 £000 |
|---|---|---|
| Gross sales value | 229,871 | 201,184 |
| Cost of sales | (199,559) | (176,301) |
| **Net turnover** | 30,312 | 24,883 |

Analysis of turnover by country of origination:

| | 31 December 2019 Gross £000 | 31 December 2019 Net £000 | 31 December 2018 Gross £000 | 31 December 2018 Net £000 |
|---|---|---|---|---|
| UK | 102,228 | 14,389 | 100,896 | 12,800 |
| USA | 104,922 | 13,093 | 85,945 | 10,393 |
| APAC | 22,721 | 2,830 | 14,343 | 1,690 |
| | 229,871 | 30,312 | 201,184 | 24,883 |

Revenue generated by The Appointment Group LLC is generated in the United States of America and revenue in The Appointment Group (Australia) Pty Limited is generated in Australia. All other income is generated in the United Kingdom.

## 5. Operating profit

The operating profit is stated after charging:

| | 2019 £000 | 2018 £000 |
|---|---|---|
| Depreciation of tangible fixed assets | 293 | 263 |
| Amortisation of intangible assets, including goodwill | 1,986 | 1,439 |
| Exceptional items | 301 | 1,266 |
| Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements | 62 | 59 |
| Foreign exchange differences | (94) | 333 |
| Other operating lease rentals | 1,099 | 1,056 |
| Defined contribution pension cost | 554 | 525 |

The exceptional administrative expenses incurred in the year relate to restructuring costs.

## 6. Employees

Staff costs, including directors' remuneration, were as follows:

| | **Group 2019 £000** | *Group 2018 £000* |
|---|---|---|
| Wages and salaries | **13,969** | *13,331* |
| Social security costs | **1,178** | *1,157* |
| Cost of defined contribution scheme | **554** | *538* |
| | **15,701** | *15,026* |

The share options (credit)/charge for the year amounted to £Nil *(2018: £Nil)*.

The average monthly number of employees, including the directors, during the year was as follows:

| | **2019 No.** | *2018 No.* |
|---|---|---|
| Office and management | **344** | *298* |

The Parent Company does not have any employees and does not incur any staff costs.

## 7. Directors' remuneration

| | **2019** | *2018* |
|---|---|---|
| | **£000** | *£000* |
| Directors' emoluments | - | *254* |
| Company contributions to defined contribution pension schemes | - | *16* |
| | - | *270* |

Directors' wages and salaries have been recharged to Project Global BidCo Limited during the year.

During the year retirement benefits were accruing to no directors *(2018: 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £Nil *(2018: £88k).*

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil *(2018: £4k).*

The highest paid director received no share options during the year *(2018: none).*

Further details of share options are given in note 8.

No options (*2018: no options*) were exercised by, or granted to, directors during the year.

No share options (*2018: no options)* were outstanding relating to directors at the end of the year.

## 8. Share based payments

The Group operates equity settled share based payment schemes.

All options are granted over ordinary shares and have a 10 year life and are only exercisable in the event of a sale or listing of the Company, unless exercised at the Board's discretion.

The fair value of awards granted under the scheme is estimated on the date of grant using the Black Scholes valuation model. Exercise is dependent on certain future events, if the options remain unexercised after a period of up to 10 years from the date of the grant, the options expire. Options are forfeited if the employee leaves the Group before the options are exercised.

During the year ended 31 December 2018, the exercise condition was met due to a sale event, and the options were exercised.

During the year ended 31 December 2019, a total of nil *(2018: Nil)* share options were granted.

Details of the share options granted as stated below:

| | **Weighted average exercise price (pence) 2019** | **Number 2019** | *Weighted average exercise price (pence) 2018* | *Number 2018* |
|---|---|---|---|---|
| Outstanding at the beginning of the year | - | - | *8.51* | *4,200* |
| Exercised during the year | - | - | *(8.51)* | *(4,200)* |
| **Outstanding at the end of the year** | - | - | - | - |

| | **2019** | *2018* |
|---|---|---|
| Weighted average share price (£) | - | *48* |
| Exercise price (£) | - | *48* |
| Weighted average contractual life (years) | - | *10* |
| Expected volatility (%) | - | *50* |
| Expected dividend growth rate (%) | - | *8* |
| Risk-free interest rate (%) | - | *5* |

| | **2019 £000** | *2018 £000* |
|---|---|---|
| Equity-settled schemes | - | - |
| | - | - |

## 8. Share based payments (continued)

The total fair value of the option is spread over the period from the grant date to the expected exercise date, which was estimated at 3 years and the full charge has been recognised.

## 9. Interest payable and similar expenses

| | 2019 £000 | 2018 £000 |
|---|---|---|
| Bank interest payable | - | 3 |
| | - | 3 |

## 10. Taxation

| | 2019 £000 | 2018 £000 |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | 1,559 | 1,105 |
| Adjustments in respect of previous periods | (322) | 1 |
| **Total current tax** | 1,237 | 1,106 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | 31 | 8 |
| Adjustment in respect of previous periods | (4) | - |
| Effect of changes in tax rates | (3) | - |
| **Total deferred tax** | 24 | 8 |
| **Taxation on profit on ordinary activities** | 1,261 | 1,114 |

## 10. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2018 - higher than)* the standard rate of corporation tax in the UK of 19% *(2018: 19%)*. The differences are explained below:

| | 2019<br>£000 | *2018*<br>*£000* |
|---|---|---|
| Profit on ordinary activities before tax | **4,683** | *318* |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | **890** | *60* |
| **Effects of:** | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | **634** | *16* |
| Adjustments to tax charge in respect of prior periods | **(326)** | *(112)* |
| Capital allowances for year in excess of depreciation | **-** | *177* |
| Deferred tax charge | **-** | *8* |
| Tax rate changes | **(3)** | *-* |
| Deferred tax not provided | **66** | *-* |
| Unrelieved loss on foreign subsidiaries | **-** | *435* |
| Foreign tax | **-** | *530* |
| **Total tax charge for the year** | **1,261** | *1,114* |

### Factors that may affect future tax charges

The UK Corporation tax rate will reduce to 17% from April 2020. As at 31 December 2019, all of the above reductions have been substantively enacted and hence in accordance with accounting standards, the impact of these reductions have been reflected in the Company's financial statements as at the year end.

## 11. Intangible assets

### Group

| | Trademarks £000 | Computer software £000 | Goodwill £000 | Total £000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2019 | 3,573 | 1,358 | 6,797 | 11,728 |
| Additions | - | 1,949 | 90 | 2,039 |
| Disposals | - | (16) | - | (16) |
| Foreign exchange movement | - | (5) | (120) | (125) |
| At 31 December 2019 | 3,573 | 3,286 | 6,767 | 13,626 |
| **Amortisation** | | | | |
| At 1 January 2019 | 2,978 | 796 | 2,698 | 6,472 |
| Charge for the year | 595 | 411 | 980 | 1,986 |
| On disposals | - | (16) | - | (16) |
| Foreign exchange movement | - | (2) | (1) | (3) |
| At 31 December 2019 | 3,573 | 1,189 | 3,677 | 8,439 |
| **Net book value** | | | | |
| At 31 December 2019 | - | 2,097 | 3,090 | 5,187 |
| *At 31 December 2018* | *595* | *562* | *4,099* | *5,256* |

## 12. Tangible fixed assets

### Group

| | Long-term leasehold property £000 | Motor vehicles £000 | Fixtures and fittings £000 | Computer equipment £000 | Total £000 |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 January 2019 | 512 | 1 | 636 | 1,149 | 2,298 |
| Additions | 76 | - | 116 | 259 | 451 |
| Disposals | - | - | (12) | (50) | (62) |
| Exchange adjustments | (12) | - | (12) | (16) | (40) |
| At 31 December 2019 | 576 | 1 | 728 | 1,342 | 2,647 |
| **Depreciation** | | | | | |
| At 1 January 2019 | 292 | 1 | 254 | 910 | 1,457 |
| Charge for the year | 69 | - | 86 | 138 | 293 |
| Disposals | - | - | (11) | (47) | (58) |
| Exchange adjustments | (7) | - | (5) | (8) | (20) |
| At 31 December 2019 | 354 | 1 | 324 | 993 | 1,672 |
| **Net book value** | | | | | |
| At 31 December 2019 | 222 | - | 404 | 349 | 975 |
| *At 31 December 2018* | *220* | - | *382* | *239* | *841* |

## 13. Fixed asset investments

**Company**

| | Investments in subsidiary companies £000 |
|---|---|
| **Cost** | |
| At 1 January 2019 | 7,151 |
| At 31 December 2019 | 7,151 |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Principal activity | Class of shares | Holding |
|---|---|---|---|
| The Appointment Group (UK) Limited | Travel agent | Ordinary | 100% |
| Events By Appointment Limited* | Dormant | Ordinary | 100% |
| Leisure By Appointment Limited | Travel agent | Ordinary | 100% |
| Music By Appointment Limited* | Dormant | Ordinary | 100% |
| The Appointment Group LLC | Travel agent | Ordinary | 100% |
| The Appointment Group (Australia) Pty Limited | Travel agent | Ordinary | 100% |
| ET Travel Limited | Dormant | Ordinary | 100% |
| The Ultimate Events Company Limited** | Dormant | Ordinary | 100% |
| Travel By Appointment Limited* | Dormant | Ordinary | 100% |
| The Appointment Group Pte Limited | Travel agent | Ordinary | 100% |

*Held indirectly through The Appointment Group (UK) Limited
**Held indirectly through Events By Appointment Limited

The registered office and country of incorporation of The Appointment Group (UK) Limited, Events By Appointment Limited, Leisure By Appointment Limited, Music By Appointment Limited, ET Travel Limited, The Ultimate Events Company Limited and Travel By Appointment Limited is The Linen House, 253 Kilburn House, London, W10 4BQ and England and Wales.

The registered office and country of incorporation of The Appointment Group LLC is 225 West 34th Street, Suite 11A & 11B New York 10122 and United States of America.

The registered office and country of incorporation of The Appointment Group (Australia) Pty Limited is 191-193 Cleveland Street, Redfern, NSW 2016.

The registered office and country of incorporation of The Appointment Group Pte Limited is 333 North Bridge Road 08-00 KH Kea Building Singapore (188721) and Singapore.

## 14. Debtors

| | Group 2019 £000 | *Group 2018 £000* |
|---|---|---|
| **Due after more than one year** | | |
| Other debtors | **155** | *-* |
| | **155** | *-* |

| | Group 2019 £000 | *Group 2018 £000* |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | **6,337** | *5,446* |
| Amounts owed by parent undertakings | **3,152** | *1,931* |
| Other debtors | **396** | *821* |
| Prepayments and accrued income | **1,211** | *1,265* |
| | **11,096** | *9,463* |

Amounts owed by parent undertakings are interest free, unsecured and repayable on demand.

Included in other debtors are amounts owed by the directors of £1k (*2018: owed to £4k in other creditors*).

## 15. Cash and cash equivalents

| | Group 2019 £000 | *Group 2018 £000* |
|---|---|---|
| Cash at bank and in hand | **3,527** | *2,524* |
| | **3,527** | *2,524* |

## 16. Creditors: Amounts falling due within one year

| | Group 2019 £000 | *Group 2018 £000* | Company 2019 £000 | *Company 2018 £000* |
|---|---|---|---|---|
| Bank overdrafts | **611** | *500* | **2** | *500* |
| Trade creditors | **4,791** | *4,104* | **-** | *-* |
| Amounts owed to group undertakings | **-** | *-* | **8,087** | *7,022* |
| Corporation tax | **1,211** | *1,016* | **1,073** | *930* |
| Other taxation and social security | **353** | *321* | **-** | *-* |
| Other creditors | **1,154** | *1,328* | **-** | *-* |
| Accruals and deferred income | **3,553** | *3,945* | **-** | *-* |
| Deferred consideration | **1,169** | *1,216* | **-** | *-* |
| | **12,842** | *12,430* | **9,162** | *8,452* |

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Deferred consideration of £1,169k (*2018: £1,216k*) is payable on the acquisition of a US book of business.

The bank overdraft is secured by a specific equitable charge over all freehold and leasehold properties, as disclosed in note 21.

## 17. Creditors: Amounts falling due after more than one year

| | Group 2019 £000 | *Group 2018 £000* |
|---|---|---|
| Other creditors | **23** | *72* |
| Deferred consideration | **-** | *845* |
| | **23** | *917* |

Deferred consideration included in the prior year relates to amounts payable on the acquisition of a US book of business.

## 18. Deferred taxation

**Group**

| | 2019 £000 | 2018 £000 |
|---|---|---|
| At beginning of year | 33 | 25 |
| Charge/(credit) in the year | 24 | 8 |
| **At end of year** | **57** | 33 |

The provision for deferred taxation is made up as follows:

| | Group 2019 £000 | Group 2018 £000 |
|---|---|---|
| Accelerated capital allowances | 95 | 44 |
| Short term timing differences | (38) | (11) |
| | 57 | 33 |

## 19. Share capital

Group and Company

| | 2019 £000 | 2018 £000 |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 80,000 Ordinary Shares - Class A shares of £0.625 each | 50 | 50 |
| 10,000 Ordinary Shares - Class B shares of £0.625 each | 6 | 6 |
| 6,500 Ordinary Shares - Class C shares of £0.625 each | 4 | 4 |
| 2 Ordinary Shares - Class D shares of £0.625 each | - | - |
| | 60 | 60 |

All ordinary shares rank equally and pari passu.

## 20. Reserves

### Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

### Capital redemption reserve

The capital redemption reserve arises on the purchase of the Company's own shares and is non-distributable.

### Other reserves

*Other reserves comprise amounts that arise on consolidation and are non-distributable.*

In addition to amounts in relation to prior year Company share buybacks.

### Share option reserve

This reserve relates to the fair value of the options granted which has been charged to the profit or loss over the vesting period of the options and related taxation recognised in equity.

### Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

## 21. Contingent liabilities

The Company acts as a guarantor and indemnifier for the purpose of providing credit support to each of the loan note holders. This is in respect of any liabilities of Project Global Bidco, a parent entity within the Group, to the loan note holders, in respect of the loan notes issued in the noted parent entity. At the year ended 31 December 2019, Project Global Bidco Limited, total loans note balance was £31,560k (*2018: £28,691*k).

The bank has a specific equitable charge over all freehold and leasehold properties and/or the proceeds of sale thereof fixed and floating charges over undertaking and all property and assets present and future including goodwill book debts and benefits of any licences.

The Group entered into a new fixed charge in April 2018 over its investment in The Appointment Group (Australia) Pty Limited.

The Group has an IATA bank guarantee of AUD$497k in relation to its subsidiary The Appointment Group (Australia) Pty Limited.

## 22. Pension commitments

The pension charge to the Group's defined contribution pension scheme in the year amounted to £554k *(2018: £525k)*. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

## 23. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | **Group 2019 £000** | *Group 2018 £000* |
|---|---|---|
| Not later than 1 year | **864** | *495* |
| Later than 1 year and not later than 5 years | **1,522** | *1,090* |
| Later than 5 years | **681** | *622* |
| | **3,067** | *2,207* |

## 24. Related party transactions

The Parent Company has taken advantage of the exemption provided by paragraph 33.1A of FRS 102 not to disclose transactions with entities that are part of the Group by virtue of its status as a 100% owned subsidiary of a Parent Company whose financial statements are consolidated and made publicly available.

At 31 December 2019, balances owed to the Company by one of the directors totalled £1k (*2018: owed to one of the directors £4k*). During the year, the director repaid £Nil (*2018: £524k*) and the Company repaid £5k (*2018: £Nil*) in total. The director loan account is interest free, repayable on demand and unsecured.

Aggregate remuneration for 0 (*2018: 5*) employees of £Nil (*2018: £115k*) was paid to close family members of two directors.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group, or in relation to the Company. In the opinion of the board the Group and Company's key management are the directors of The Appointment Group Limited.

Total compensation to key management personnel is:

| | **2019 £000** | 2018 £000 |
|---|---|---|
| Key management personnel | **-** | 243 |

Key management personnel compensation has been recharged to Project Global BidCo Limited during the year.

## 25. Post balance sheet events

On 23 January 2020, The Appointment Group LLC, a wholly owned subsidiary of The Group, acquired certain customer related assets constituting the touring travel management business of Leeds Enterprises Inc, for a total consideration of US$8.25m including future earn-out payments.

On the 16 November 2020 the Company obtained a £5m loan from Santander plc, under the UK Government's Coronavirus Business Interruption Loan Scheme. This loan was obtained at an interest rate of 3.8% plus the Bank of England base rate and £5m of this loan commitment has been drawn down at the date of signing these accounts.

COVID-19
The onset of the COVID 19 virus has been treated as a non-adjusting post balance sheet event. Accordingly, the assessment of carrying values in the balance sheet at 31 December 2019 has not been adjusted to reflect the consequences of the virus on expected cash flows subsequent to that date.

## 26. Controlling party

The Company's immediate parent undertaking is Project Global Bidco Limited.

The Company's ultimate parent undertaking is Project Global Topco Limited.

The smallest group of undertakings for which Group accounts for the year ended 31 December 2019 have been drawn up, is that headed by The Appointment Group Limited, these financial statements.

The largest group of undertakings for which Group accounts for the period ended 31 December 2019 have been drawn up, is that headed by Project Global Topco Limited. Copies of the Group accounts are available from The Linen House, 253 Kilburn Lane, London, England, W10 4BQ.

The Company's ultimate controlling party is Apiary Capital Partners I Gp Llp in its capacity as general partner of Apiary Capital I Lp, owning more than 75% of the shares in Project Global Topco Limited.