Registered number: 04469189

SYKES COTTAGES LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

COMPANY INFORMATION

Directors	Graham Donoghue Michael Steven Graham
Registered number	04469189
Registered office	Sykes Cottages Ltd One City Place Queens Road Chester Cheshire CH1 3BQ
Independent auditors	Ernst & Young LLP Manchester M2 3EY

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Introduction

The Directors present their strategic report for the year ended 30 September 2020.

Sykes Cottages Ltd continue to deliver a holiday letting agency service in the UK and Ireland. We provide multi-channel marketing, to reach millions of customers on and offline. Our booking management service covers a portfolio of over 16,395 cottages in the UK and Ireland.

Business review

The profit and loss account is set out on page 17, showing an operating profit for the year ended 30 September 2020 of £8,418,000 (2019: £9,825,000). The profit before tax is £5,987,000 (2019 - £6,679,000). The Directors are satisfied with the trading performance and will continue to develop the existing activities of the Company.

During the year, the Company increased the number of properties available for rental and at 30 September 2020 the Company had a stock of 16,395 live properties (2019: 15,600). No meaningful market share data is available but by virtue of this stock increase, the business believes its market share has increased.

Sykes Cottages Ltd acquired 100% of the share capital of Coast & Country Holidays Ltd on 4 October 2019, 100% of the share capital of Printcater Limited on 28 November 2019 and 100% of the share capital of Potter TopCo Limited on 18 December 2019.

A wholly owned subsidiary of Sykes Cottages Ltd, NZ Bachcare HoldCo Limited acquired the remaining 20% of the share capital of Bachcare Limited on 28 October 2019.

On 28 October 2019, the Sykes Cottages Group was acquired by Priestholm Bidco Ltd. Due to the acquisition by Priestholm Bidco Ltd during the year, the Ultimate Parent Company of Sykes Cottages Ltd is Priestholm TopCo Ltd registered in Jersey and the Ultimate Controlling Party of the Company is Vitruvian Partners LLP.

Covid-19 update

As with most businesses in the world (and especially for travel), Covid-19 has had a fundamental effect on the business, financially, operationally and legally.

The initial lockdown in March 2020 caused a shock to the nation and the business, significantly reducing sales and creating commercial and operational challenges in dealing with thousands of bookings requiring cancellation and potential refunds.

The business response was swift, prioritising liquidity measures to secure the short-term future of the business. Such measures included taking advantage of tax payment plans provided by the government, extension of the Rolling Credit Facility (RCF) to allow higher levels of borrowing for longer periods and strict control over discretionary budgets.

Through various levels of scenario planning, the business was able to assess the affordability of refund proposals for consumers/owners in order to take a commercial view of the long-term outlook for the business and our trading partners.

The exit from the initial period of lockdown resulted in unprecedented levels of demand for UK holidays, especially for short-term departures. This resulted in the recovery of EBITDA to budgeted levels in the financial period (after accounting for Covid-19 refunds as exceptional, which has reduced accounting profit significantly).

The latest government announcement on 22nd February 2021 has been largely positive with travel restrictions beginning to be lifted from the 12th April 2021. As expected and previously experienced in the initial lockdown the Group has experienced further unprecedented demand for UK holidays which is strengthening the Group's outlook on liquidity and profitability.

Operational response
The main operational response of the Group through the initial lockdown centred on the treatment of existing bookings due to depart during the initial lockdown period and the period immediately afterwards.

However, it is worth noting that the Group transitioned from an office-based business to a "home working environment" with relative ease. Video conference platforms provided the means to manage and communicate to all staff and the online nature of sales and IP phones meant there was no barrier to creating new bookings and servicing existing bookings.

Customer and owner communications were facilitated through the in-house booking system housed in the cloud.

Customer refunds
For the initial lockdown period from 23rd March 2020 and for subsequent lockdowns and restrictions since, in conjunction with our property owners, our customers were offered a number of booking options:
1 A free of charge, change of holiday dates, to a future date outside of the lockdown period
2 A voucher equivalent to the full booking value
3 A full refund of the booking value, funded by the owner, accompanied by a goodwill gesture from the Group, equivalent to the income earned by the Group for the provision of the booking and marketing services.

Lockdowns currently continue to impact the UK part of the Group. The Group has taken the learnings from previous lockdowns to implement new policies and procedures. These policies and procedures are continually being reviewed and refined as the Group navigates these unprecedented times. The Group continues with its refund policy as noted above, alongside frequent iterations of planning scenarios to ensure the policies remain affordable.

Covid-19 pandemic impact

Certain costs, including the exceptional impact of Covid-19, have been excluded from performance measures in this statement, as the Directors consider this necessary to provide a fair, balanced and understandable view of the performance of the Company.

Whilst the underlying result has still been significantly impacted by Covid-19, the Directors believe that adjusting for the items shown in the table below provides a clearer reflection of the Company's performance in the period.

The Company provide a holiday letting agency service, which means service performance obligations are completed once a booking has been confirmed, and therefore income is recognised at this point.

Where guests who have booked a holiday cottage through one of our websites and have since had their holiday been cancelled, due to travel restrictions in the UK and Ireland, the Company have thus far made the decision to refund the income previously earned as a goodwill gesture to both guests and property owners.

Financial key performance indicators

Certain costs, including the exceptional impact of Covid-19, have been excluded from performance measures in this statement, as the Directors consider this necessary to provide a fair, balanced and understandable view of the performance of the Company.

Whilst the underlying result has still been significantly impacted by Covid-19, the Directors believe that adjusting for the items shown in the table below provides a clearer reflection of the Company's performance in the period.

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The table below shows the adjusted results prior to Covid-19 refunds and the equivalent figures reports under GAAP.

	Adjusted	**Covid-19**	**Other adj**	**Total adj**	**GAAP**
Revenue (1)	77,977	(7,862)	-	(7,862)	70,115
Gross profit	57,128	(7,862)	-	(7,862)	49,266
Gross profit margin	73.26%				70.26%
Admin expenses and exceptional items (2)	(38,081)	(2,483)	(2,024)	(4,507)	(42,588)
EBITDA	27,144	(10,345)	(2,024)	(12,369)	14,775
EBITDA margin	34.81%				21.07%
Operating profit	20,787	(10,345)	(2,024)	(12,369)	8,418
Operating profit margin	26.66%				12.01%

(1) The impact of lost revenue due to cancelled resulting from the Covid-19 pandemic.
(2) Exceptional costs relating to Covid-19, acquisitions, one-off consultancy, onerous contracts and restructuring costs.

Principal risks and uncertainties

Price risk
The travel industry is highly competitive and is comprised of a number of companies specialising in providing short-term holiday rental. Competition may reduce fee structures, which may adversely impact profits. New competitor business models may put pressure on the Company to change existing business models in order to remain competitive. To mitigate the risk, the prices of the Company's products are dynamically managed.

Foreign currency risk
The Company makes purchases and receives monies from sales denominated in foreign currency. In order to mitigate the risk of movements in foreign currency rates, the Company enters into foreign currency derivative contracts.

Credit risk
The Company has a large number of small customers, but the directors believe that credit risk is mitigated by the fact that customers are required to pay before the holiday is taken.

Liquidity risk
The Company's cash balances and deposits are managed to provide a balance between maximising interest rate returns and maintaining access to working capital. We ensure our short term deposits are flexible and accessible if required. Working capital requirements are monitored on an ongoing basis, so the directors do not consider there to be a significant risk in this area.

Interest rate risk
Interest is credited on the Company's cash balances at variable rates. Loan notes interest is charged as per the loan note agreements. Bank and Unitranche interest is currently charged between 3% - 6.25% above base rate and varies depending on leverage. The interest rate risk is monitored regularly and an interest rate cap has been put in place in relation to the third party debt.

Cash flow risk
The directors consider that the main risk concerning cash flow relates to unexpected reductions in demand, unpaid credit balances, travel restictions due to Covid-19 and change in interest rates. The Company maintains a flexible cost structure that the directors believe would mitigate the demand risk and unpaid credit balances and interest rate risk are constantly monitored. As noted above, the Company continues with its refund policy, alongside frequent iterations of planning scenarios to ensure the policies remain affordable.

Brexit risk
There are concerns about the implications surrounding the UK's departure from the EU. Economic conditions, currency volatility and consumer confidence levels could all be adversely affected. For the Company specifically, if consumer confidence levels decrease, then there is a potential impact on the number of holiday bookings made. We believe our strong domestic market position, combined with holidays remaining a high priority consideration for the UK consumer, means that we will remain in a position to deliver growth.

Covid-19 risk
Covid-19 has affected the business since March 2020, especially the UK trading entities in the Company. The Company took swift measures to control and limit the downside effects on liquidity and profitability. These measures included deferring tax payments within government guidelines, use of the furlough scheme, tight overhead control and minimising cash interest payments within our financial agreements.

The Company transitioned from an office-based business to a "home working environment" with relative ease. Video conference platforms provided the means to manage and communicate to all staff and the online nature of sales and IP phones meant there was no barrier to creating new bookings and servicing existing bookings. Customer and owner communications were facilitated through the in-house booking system housed in the cloud.

Covid-19 risk (continued)
The Company is very conscious of the impact further outbreaks and lockdowns can have on employee's health and wellbeing. Therefore, throughout the pandemic the Company has kept in close communication with all its employees and continually reviews policies and procedures to ensure it safeguards employee's wellbeing.

The Company continually reviews the government guidance to determine whether the Company's offices can be open. When it is suitable for the offices to be open, the Company has taken appropriate actions to ensure its employees remain safe at all times. The actions taken are a minimum 2 meters distance away between available desks, temperature checked on arrival, one-way system around the office, masks to be worn when moving around the office and hand sanitiser is available throughout the office.

Where guests who have booked a holiday cottage through one of our websites and have since had their holiday been cancelled, due to travel restrictions in the UK and Ireland, the Company have thus far made the decision to refund the income previously earned as a goodwill gesture to both guests and property owners. The Company continues with its refund policy, alongside frequent iterations of planning scenarios to ensure the policies remain affordable.

The UK lockdowns have reduced the Company's ability to on-board new properties as there have been restrictions on viewing and visiting properties. The Company has developed new ways to on-board properties, which limits interaction with Property owners ensuring everyone's safety and well being.

The extent of further outbreaks, variants and lockdowns relating to Covid-19 are not precisely known, and therefore the business can only have total certainty when government guidance is clear. However, frequent scenario planning continues to indicate that the Company has sufficient cash reserves and profitability to continue to trade under likely known levels of the restrictions. The impact on the business will depend upon the duration and scope of any further outbreaks and lockdowns, the government's road map of coming out of lockdown and the impact on financial markets and economic activity. It will also depend on how guests, property-owners, business partners and employees have been impacted by the various outbreaks. The latest government guidance following the announcement on 22nd February 2021 is largely positive for the UK travel sector and early indications show high levels of demand for April departures onwards.

Directors' statement of compliance with duty to promote the success of the Company

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

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

Board and decision making process
The Group operates under five fundamental principles, that are considered in all decision making processes at Board, strategic and operational levels
- We achieve together
- We communicate honestly
- We drive innovation and change
- We earn trust
- We grow and learn

Board meetings are held every month (excluding August and December) and the monthly reports include:
- Summary of key initiatives and their progress
- Merger & Acquisitions (M&A) update
- Operations update
- IT update, including operational and strategic objectives
- Monthly Financials including budgets/forecasts

Executive Board members meet on weekly basis, alongside key senior management to provide day to day oversight on strategic and operational objectives, with significant changes and decisions referred to the formal Board of Directors.

Key Stakeholders
Directors utilise a full range of communication channels to engage with stakeholders; these include face-to-face meetings, events, reports and other written materials, as well as through public relations activity, targeted digital content and social media.

The directors have identified the following as key stakeholders of the Group, as they are either directly affected or benefit from the success of the Group.

- ***Guests*** – the Group provides a diverse range of quality holiday properties to over 1 million guests each year in the United Kingdom, Ireland and New Zealand. Guests are engaged initially through targeted marketing initiatives and via contact to our UK and New Zealand based call centres. During and post travel, customers have access to our customer services support online and via telephone and feedback is gathered through satisfaction surveys.

- ***Property Owners*** – The Group provides property management, marketing and booking services to approximately 18,000 owners who have c.20,000 holiday properties. A dedicated Owners team with the assistance of a nationwide network of Property Consultants service the needs of property Owners.

- ***Workforce*** – the Group employs approximately 866 people across UK and New Zealand. The Group places considerable value on the involvement of its employees, therefore it ensures information on matters of concern is provided and where appropriate the employees are consulted so their views are taken into account when making decisions. This is achieved through monthly floor briefings, intranet and e-mails to employees' work addresses. Employee involvement in the Group is encouraged through regular employee surveys.

- ***Suppliers*** – The Group engages with key suppliers and settles invoices in a timely manner and within the agreed credit terms.

- ***Community and Environment*** – The Group participates in several community-based initiatives through fund-raising events and commitment of resources. The Group selects a key Charity to work with each year and for FY20 the charity was the Teenage Cancer Trust. Given the pandemic during FY20 reducing the ability to fund raise the Group have decided to continue supporting this charity for another year. The Group looks to minimise its carbon footprint where possible, reducing the use of paper through technical developments and maximising recycling of paper/plastics/metals via numerous in office recycling collection points.

- ***Shareholders and lenders*** – the ultimate controlling party of Priestholm TopCo Ltd and the Sykes Group is Vitruvian Partners LLP, which is a private equity investment company. The Group has also entered into a Loan Facility and Revolving Credit Facility with external lenders. Both Vitruvian Partners LLP and lenders receive monthly financial updates as standard, with ad-hoc initiatives and key developments reported as required.

Key decisions
The directors have identified the below as the key decisions made in the year. Key decisions have been determined as anything with strategic importance to the Group or that have taken a significant amount of management and Board time.

Decision 1
Acquisition of the Sykes Cottages Group by Priestholm BidCo Limited
On 28th October 2019, Sykes Cottages Holdings Limited (Sykes Cottages Group) was acquired by Priestholm BidCo Limited registered in the United Kingdom whose Ultimate Parent Company is Priestholm TopCo Limited registered in Jersey and the Ultimate Controlling Party is Vitruvian Partners LLP.

As part of the acquisition, Sykes Cottages Group undertook a refinancing, which has provided the group with additional long-term funding to facilitate growth through both acquisition and organic means.

Outcomes and impact on key stakeholders (where applicable):
Workforce - Communication of the changes and how the new investment will impact the future of the business and support the Group's long-term strategy.

Shareholders & Lenders - New Investors and Capital Structure in place.

Decision 2
The acquisition of new businesses
On 4th October 2019 Sykes Cottages Limited acquired Coast and Country Holidays Limited, a holiday rental company located in Pembrokeshire, Wales.

On 28th November 2019 the Group acquired Printcater Limited (trading as Carbis Bay Holidays), a holiday cottage rental company located in Cornwall, UK.

On 18th December 2019 the Group acquired Potter TopCo Limited which owns the Pure Cottages Group, a holiday cottage rental group which is located in the Lake District, Cotswolds and Cornwall.

Outcomes and impact on key stakeholders (where applicable):
Guests - Able to offer a wider variety of property options to the whole group through the nationwide marketing capacity of the group, over multiple websites and marketing channels.

Property owners - Communication is made to new owners early, so they understand how they will be impacted. The dedicated Owners team clearly describe any changes and how this will affect the owner. They will also advise the owner of the benefits of being part of the Sykes Cottages Group.

Workforce – Clear plans are put into place and communicated through updates and written notices, to the existing and new staff base. Expected synergies related to the acquisitions are highlighted alongside career opportunities that may result.

Community - Press releases to promote awareness within the local communities.

Shareholders & Lenders - Notification to both parties explaining the rationale for the acquisition and expected benefits, which is part of the formal board communication.

Decision 3
Covid-19 Operational response
During FY20 the world was impacted by the global pandemic. The governments in the UK and New Zealand imposed various lockdown measures and restrictions affecting people's ability to travel around the United Kingdom, Ireland and New Zealand for holidays and work purposes.

Where travel was legally impossible due to the contract between the consumer and the property owner being frustrated, Sykes Cottages has chosen to support both customers and property owners by facilitating the refunds of the full amount paid by customers. This includes the income generated by trading entities in the Sykes Group. The contractual services provided to generate the income has been delivered, so the Sykes Group has accounted for the refunds as a goodwill gesture to both our owners and customers.

Sykes continues to market and take bookings where it is legally possible to do so, to minimise the profitability and liquidity impact of Covid-19, on our trading partners.

Outcomes and impact on key stakeholders (where applicable):
Guests - The various Covid-19 restrictions have affected guests ability to travel and therefore for numerous guests, their holidays have been cancelled/curtailed, when the booking has become legally frustrated. For these guests, we have offered a full refund (which includes ex-gratia goodwill refund for commission and booking fee and ancillary income the Group has previously earned) or the offer of a change the date of their holiday. When there have been restrictions on household mixing and the number of people who could meet, guests were contacted with the option to continue with their holiday within Government guidelines, or a full refund or change of dates.

Property owners – The Sykes Group facilitated the refund of gross rentals on behalf of owners, where holiday contracts have been legally frustrated. Commissions earned by Sykes have been effectively refunded to property owners as a goodwill gesture from the group. This minimises the economic impact on the owners to the net rentals they would have earned, rather than the gross rental the consumer has paid.

Employees - To ensure the health and safety of its employees the Group has closed all its offices during full lockdowns and has ensured the Group has the infrastructure to enable employees to work from home. During the various tiered systems, the offices have been reopened on a requirement basis as the Group is aware working from home may not suit all employees. The group is constantly monitoring employee health, safety, and wellbeing and to ensure it has sufficient measures in place, facilitated by regular reviews through video meeting platforms.

Suppliers – Sykes has been working with key suppliers on an ongoing basis, such as insurance brokers and marketing partners, to ensure the respective businesses are aligned in providing refunds to customers where applicable. Sykes continues to pay all suppliers within agreed terms.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Shareholders & Lenders - Given the uncertainty caused by the pandemic, liquidity and profitability were, and continue to be, under frequent review. This high level of rigour enables the business to have pro-active responses to governmental guidance with various scenario plans and actions to preserve cash and profits having been agreed with the Board and Shareholders notified where appropriate. The Scenario planning and mitigating actions undertaken taken have ensured the Group is in the best position to continue its long-term strategy.

This report was approved by the board on 25 March 2021 and signed on its behalf.

Michael S Graham

Michael Steven Graham
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Directors present their report and the financial statements for the year ended 30 September 2020.

Principal activity

Sykes Cottages Ltd continue to deliver a holiday letting agency service in the UK and Ireland. We provide multi-channel marketing, to reach millions of customers on and offline. Our booking management service covers a portfolio of over 16,395 cottages in the UK and Ireland.

Results and dividends

The profit for the year, after taxation, amounted to £6,631,000 *(2019 - £5,373,000)*.

The Directors do not recommend a payment of a dividend (2019: £Nil).

Directors

The Directors who served during the year were:

Graham Donoghue
Michael Steven Graham

Political contributions

The Company made no political donations or incurred any political expenditure in the year.

Future developments

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Financial Instruments

Objectives and policies
The Company does not use derivative financial instruments for speculative purposes. The group enters into financial derivative contracts to mitigate financial risk and details are included above in the Strategic Report under the relevant risk heading.

Going Concern

To conclude on going concern for the company, the directors have considered going concern at the group level.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report, including the actions taken to mitigate the potential impact of Covid-19. The group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

Forecasts are produced monthly, to include latest known government guidance, along with any related sensitivity analysis to allow proactive management of any business risks including liquidity risk. Using these forecasts and sensitivities management have performed severe stress testing, which includes adjusting the key levers to the model as follows:

- Detailed forecasts for the path out of the latest lockdown - A 25% reduction in property stock acquisition
- An average fall of 25% in booking volumes for 12 months into the future
- A 5% reduction in the average income per booking
- A 10% increase in the marketing cost to acquire bookings

Following the government announcement on 22 Feb 2021 management have also modelled the impact of a delay to the full reopening of the UK, when running each of these scenarios the Group maintains its liquidity position and covenant headroom. Bookings have surged since the announcement of the governments road map to recovery and should there be a delay in the full unlocking of lockdown the business model is such that sales can still take place as it is assumed that people will still be able to travel as individual households or with one other household. Consequently, it is anticipated there will still be significant demand for this cohort within the UK staycation market. Whilst a further full National lockdown over the summer would have a significant impact due to lost revenue and refunds if travel was completely curtailed, we consider this scenario remote. The directors are confident that that they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to 31 March 2022.

The key factors supporting this are:

- The Group has gained significant knowledge of the effect on bookings during lockdown periods and strong demand levels that follow, once a lockdown period is eased.
- The level of bookings and associated profit attained from the government announcement on the path out of lockdown from March 2021 onwards along with prudent ongoing forecasts indicates there is significant covenant headroom
- With cash at the end of September of 2020 of £58,383,000 the group had sufficient liquidity headroom at the start of 2020 for the period ahead. This has been reviewed during March 2021 and liquidity headroom remains sufficient for a period of 12 months ahead.

As a result of the uncertainties caused by Covid-19, the Directors of the Company during their going-concern assessment have confirmed the ability of its parent company to provide continued support and access to cash to ensure the day-to-day running of the Company. The board has obtained a written confirmation of financial support from its parent undertaking Priestholm TopCo Limited who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to the Company to meet such liabilities for the period to 31 March 2022.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Post balance sheet events

The Covid-19 pandemic has had a significant impact on the Company's operations. The business continues to adjust its operations in response to the ongoing changing environment.

The latest government announcement on 22nd February 2021 has been largely positive with travel restrictions beginning to be lifted from the 12th April 2021. As expected, and previously experienced in the initial lockdown, the Company has experienced further unprecedented demand for UK holidays which is strengthening the Company's outlook on cash and profitability.

For further details please see the Going concern disclosure in note 2.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 March 2021 and signed on its behalf.

Michael S Graham

Michael Steven Graham
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

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

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

- select suitable accounting policies 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYKES COTTAGES LTD

Opinion

We have audited the financial statements of SYKES COTTAGES LTD (the 'Company') for the year ended 30 September 2020, which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 32, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYKES COTTAGES LTD (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYKES COTTAGES LTD (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

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

Ernst & Young LLP

Tehseen Ali

Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

26 March 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	*Restated* *2019* *£000*
Turnover	5	**70,115**	*68,968*
Cost of sales		**(20,849)**	*(23,582)*
Gross profit		**49,266**	*45,386*
Administrative expenses		**(38,081)**	*(31,617)*
Exceptional items	14	**(4,507)**	*(3,944)*
Other operating income	6	**1,740**	-
Operating profit	7	**8,418**	*9,825*
Interest receivable and similar income	11	**728**	*627*
Interest payable and expenses	12	**(3,159)**	*(3,773)*
Profit before tax		**5,987**	*6,679*
Tax on profit	13	**644**	*(1,306)*
Profit for the year		**6,631**	*5,373*

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 21 to 62 form part of these financial statements.

All operations are from continuing operations.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Goodwill	16		**20,019**		*18,768*
Other intangible assets	15		**18,955**		*21,033*
Tangible assets	17		**6,535**		*2,168*
Investments	18		**21,168**		*106*
			66,677		*42,075*
Current assets					
Debtors: amounts falling due within one year	19	**66,781**		*31,666*	
Cash at bank and in hand	20	**42,766**		*14,373*	
		109,547		*46,039*	
Lease liabilities: amounts falling due within one year	24	**(489)**		*(54)*	
Creditors: amounts falling due within one year	21	**(133,815)**		*(30,730)*	
Net current (liabilities)/assets			**(24,757)**		*15,255*
Total assets less current liabilities			**41,920**		*57,330*
Lease liabilities: amounts falling due after more than one year	24		**(4,854)**		-
Creditors: amounts falling due after more than one year	22		-		*(26,669)*
			37,066		*30,661*
Provisions for liabilities					
Deferred taxation	26	**(2,718)**		*(2,944)*	
			(2,718)		*(2,944)*
Net assets			**34,348**		*27,717*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2020

	Note	2020 £000	*2019 £000*
Capital and reserves			
Called up share capital	27	-	-
Profit and loss account		**34,348**	*27,717*
		34,348	*27,717*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 March 2021.

Michael S Graham

Michael Steven Graham
Director

The notes on pages 21 to 62 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2018	-	22,344	22,344
Comprehensive income for the year			
Profit for the year	-	5,373	5,373
At 1 October 2019	-	27,717	27,717
Comprehensive income for the year			
Profit for the year	-	6,631	6,631
At 30 September 2020	-	34,348	34,348

The notes on pages 21 to 62 form part of these financial statements.

1. General information

Sykes Cottages Ltd (the "Company") is a private Company incorporated, domiciled and registered in England. The registered number is 4469189 and the registered address is One City Place, Queens Road, Chester, CH1 3BQ.

2. 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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 4).

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £000.

Going Concern

To conclude on going concern for the company, the directors have considered going concern at the group level.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report, including the actions taken to mitigate the potential impact of Covid-19. The group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

Forecasts are produced monthly, to include latest known government guidance, along with any related sensitivity analysis to allow proactive management of any business risks including liquidity risk. Using these forecasts and sensitivities management have performed severe stress testing, which includes adjusting the key levers to the model as follows:

- Detailed forecasts for the path out of the latest lockdown - A 25% reduction in property stock acquisition
- An average fall of 25% in booking volumes for 12 months into the future
- A 5% reduction in the average income per booking
- A 10% increase in the marketing cost to acquire bookings

Following the government announcement on 22 Feb 2021 management have also modelled the impact of a delay to the full reopening of the UK, when running each of these scenarios the Group maintains its liquidity position and covenant headroom. Bookings have surged since the announcement of the governments road map to recovery and should there be a delay in the full unlocking of lockdown the business model is such that sales can still take place as it is assumed that people will still be able to travel as individual households or with one other household. Consequently, it is anticipated there will still be significant demand for this cohort within the UK staycation market. Whilst a further full National lockdown over the summer would have a significant impact due to lost revenue and refunds if travel was completely curtailed, we consider this scenario remote. The directors are confident that that they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to 31 March 2022.

2. Basis of preparation of financial statements (continued)

Going concern (contniued)

The key factors supporting this are:

- The Group has gained significant knowledge of the effect on bookings during lockdown periods and strong demand levels that follow, once a lockdown period is eased.
- The level of bookings and associated profit attained from the government announcement on the path out of lockdown from March 2021 onwards along with prudent ongoing forecasts indicates there is significant covenant headroom
- With cash at the end of September of 2020 of £58,383,000 the group had sufficient liquidity headroom at the start of 2020 for the period ahead. This has been reviewed during March 2021 and liquidity headroom remains sufficient for a period of 12 months ahead.

As a result of the uncertainties caused by Covid-19, the Directors of the Company during their going-concern assessment have confirmed the ability of its parent company to provide continued support and access to cash to ensure the day-to-day running of the Company. The board has obtained a written confirmation of financial support from its parent undertaking Priestholm TopCo Limited who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to the Company to meet such liabilities for the period to 31 March 2022.

3. Accounting policies

3.1 General

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

3.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

3. Accounting policies (continued)

3.3 New standards, interpretations and amendments not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements as they do not have a material effect on the Company's financial statements.

The following amended standards are not expected to have a significant impact on the Company's financial statements:
• Amendments to References to Conceptual Framework in IFRS Standards;
• Definition of a Business (Amendments to IFRS 3); and
• Definition of material - amendments to IAS 1 and IAS 8.

3.4 Exemption from preparing consolidated financial statements

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking in the UK is Priestholm MidCo Ltd. Priestholm MidCo Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of Priestholm MidCo Ltd are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

3.5 Impact of new international reporting standards, amendments and interpretations

IFRS 16

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 October 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has lease contracts for various items of property and equipment. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except short term leases which have a lease term of 12 months or less or low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Refer to Note 3.8 Leases for the accounting policy beginning 1 October 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases
The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases

3. Accounting policies (continued)

3.5 Impact of new international reporting standards, amendments and interpretations (continued)

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, leases of low-value assets. The right of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. This has been applied across all leases. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

3. Accounting policies (continued)

3.5 Impact of new international reporting standards, amendments and interpretations (continued)

The following tables summarise the impacts of adopting new reporting standards on the Company's financial statements.

Statement of Financial Position (extract)

	30 September 2019 As originally presented £000	IFRS 16 £000	1 October 2019 Adjusted balance £000
Goodwill	18,768	-	18,768
Fixed assets			
Intangible assets	21,033	-	21,033
Tangible assets	2,168	4,125	6,293
Investments	106	-	106
	42,075	4,125	46,200
Current assets			
Debtors	31,666	-	31,666
Cash at bank and in hand	14,373	-	14,373
Total current assets	46,039	-	46,039
Creditors: amounts falling due within one year	(30,784)	768	(30,016)
Total assets less current liabilities	57,330	4,893	62,223
Creditors: amounts falling due after more than one year	(26,669)	(4,893)	(31,562)
Deferred taxation	(2,944)	-	(2,944)
Net assets	27,717	-	27,717
Capital and reserves			
Profit and loss account	27,717	-	27,717
	27,717	-	27,717

3. Accounting policies (continued)

3.5 Impact of new international reporting standards, amendments and interpretations (continued)

The lease liabilities as at 1 October 2019 can be reconciled to the operating lease commitments as of 30 September 2019, as follows:

Assets	£000
Operating lease commitments as at 30 September 2019	3,733
Weighted average incremental borrowing rate as at 1 October 2019	7.1%
Discounted operating lease commitments as at 1 October 2019	4,125
Add:	
Deferred rent and landlords contribution	768
Lease liabilities as at 1 October 2019	4,893

3.6 Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of the entity 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. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

3.7 Revenue

Revenue represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

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 Company 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.

The Company provides arranging and facilitating letting of holiday cottages for its property owners and receives a commission fee for the services provided. The Company remits the gross rental fee received from the guest to the property owner, net of the Company's commission. Commission is recognised when the performance obligation of arranging and facilitating the customer to enter into individual contracts with property owners is satisfied, usually on delivery of the booking confirmation.

Booking fees are earned from the guest as the Company acts as a booking agent by arranging the holiday let and providing owner details. Booking fee is recognised when the performance obligation of arranging and providing the property details to the customer has been satisfied, usually on delivery of

3. Accounting policies (continued)

3.7 Revenue (continued)

the booking confirmation.

Commission on travel insurance products which is taken out by guests is recorded net as as the Company acts as an agent. The commission earned is recognised on delivery of the booking confirmation.

Income relating to Annual membership is recognised evenly over the year as this is when the customer has control of the service.

In some cases, the Company also provides additional services to the property owners (e.g. property management); the revenue attributed to these services is recognised when the services are provided.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

3.8 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., 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. 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:

- Office furniture and equipment – 25 - 33% per annum on cost
- Plant and Machinery – 25 - 33% per annum on cost
- Property – 4 – 13% per annum on cost

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets

3. Accounting policies (continued)

3.8 Leases (continued)

acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

The Right-of-use assets are included in the Tangible Fixed Assets in the Statement of Financial Position.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because 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 or a change in the assessment of an option to purchase the underlying asset.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate. The weighted average rate applied is 7.10% for lease liabilities.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

3.9 Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

3. Accounting policies (continued)

3.10 Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all the related conditions will be met, usually on submission of a valid claim for payment.

Goverment grants in respect of capital expenditure are credited to a deferred income account and are released as income by equal annual amounts over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Furlough amounts received during the year represent government grants of a revenue nature and have been accounted for accordingly.

3.11 Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases 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). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.13 Pensions

A defined contribution plan 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 profit and loss account in the periods during which services are rendered by employees.

3. Accounting policies (continued)

3.14 Current and deferred 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. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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.

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

3.15 Exceptional items

The Company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the 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 to facilitate comparison with prior periods and to assess better trends in financial performance.

3. Accounting policies (continued)

3.16 Business Combination

Business combinations arising from the hive up of trade and assets from fellow group companies are common control transactions and are outside the scope of IFRS 3. The company has elected to apply acquisition accounting and complete a full purchase price adjustment in respect of hive ups.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

3.17 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3. Accounting policies (continued)

3.18 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period
Or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period
Or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.19 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

3. Accounting policies (continued)

The estimated useful lives are as follows:

• Brands (acquired)	- 10 years
• Hogans' Brand (acquired)	- 2 years
• Owner contracts (acquired)	- 6-9 years
• Customer database (acquired)	- 5 years
• Capitalised software development costs	- 3-4 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate: as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

3. Accounting policies (continued)

3.20 Tangible fixed assets

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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:

- Computer equipment - 25% per annum on cost
- Office furniture & equipment - 25% per annum on cost
- Plant & Machinery - 25% per annum on cost
- Land & Buildings - 4 - 13% per annum on cost (land is not depreciated)

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

3.21 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment..

3. Accounting policies (continued)

3.22 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions - Note 4
- Tangible fixed assets - Note 17
- Intangible assets - Note 15
- Goodwill with indefinite lives - Note 16

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 30 September and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3. Accounting policies (continued)

3.23 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.24 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

3.25 Provisions

A provision is recognised in the balance sheet when the Company 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

3.26 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

Initial recognition and measurement

Financial assets are recognised on the trade date which is the date it commits to purchase the instruments. Loans are recognised when the funds are advanced. All other financial instruments are recognised on the date that they are originated. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value, with the exception of trade receivables that don't contain a significant financing component or where the customer will pay for the related goods or services within one year of receiving them. For financial assets which are not held at fair value through the income statement, transaction costs are also added to the initial fair value. Trade receivables that don't contain a significant financing component or where the customer will pay for the related goods or services within one year of receiving them are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

3. Accounting policies (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For the purposes of subsequent measurement, financial assets are classified into the following categories;
• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt
• instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
• Financial assets at fair value through profit or loss

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, and amounts owed by group undertakings.

Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when;
• The rights to receive cash flows from the asset have expired; or
• The Company has transferred its rights to receive cash flows from the asset

Impairment
The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

3. Accounting policies (continued)

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

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.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and amounts owed to group undertakings.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

3. Accounting policies (continued)

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

III. Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

In the application of the companies accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements and estimation. The directors have had to make the following judgements:

Valuation of intangibles arising on acquisition
Due to the inherent uncertainty involved in forecasting and discounting future cash flows this is considered a critical estimate. The estimates used in the valuation of the intangible assets are considered to have a significant risk of causing a material misstatement, specifically; the estimation of future cash flows, the useful economic life of the asset, the use of the most appropriate valuation methodology and the selection of a suitable discount rate.

Capitalisation of internal development costs
Due to the inherent uncertainty involved in determining whether costs are capital or expenditure this is considered a critical judgement. The judgement used in the capitalisation of internal development costs are considered to have a significant risk of causing a material misstatement, specifically; the judgement on the related development as capital in nature i.e. enhancement or expenditure i.e. operational or maintenance.

4. Judgements in applying accounting policies (continued)

Impairment indicators
An assessment is performed to determine whether there are any indicators of impairment of the Company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Classification as operating lease or finance lease
New lease agreements entered into by the Group as either a lessor or a lessee require an assessment to determine whether they meet the definition of an operating or a finance lease. The decision depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

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 Company. 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 line with IFRS 15, management have concluded that revenue in the Company will continue to be treated as an agent on the basis that the performance obligation is to arrange for the Property Owners to provide the goods or services.

Provision for expected credit losses of trade receivables
Recognition of credit losses is made by considering a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group applies the IFRS 9 simplified model of recognising expected credit losses for all trade receivables on the basis that no distinction is required between 12 month and lifetime expected credit losses with over 98% of trade receivables as at year end due to be paid within the following 12 months.

In measuring the expected credit losses, the trade receivables have been grouped based on whether the expected credit loss relates to a property owner or customer who has an outstanding balance on their booking. Expected credit losses have been calculated based on historic loss rates where applicable. Adjustments to take into account known circumstances at year end which may have a material effect on the historic rates used are also made if required.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 19.

4. Judgements in applying accounting policies (continued)

Other key sources of estimation and uncertainty are:

Useful life of tangible fixed assets

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Leases – Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5. Turnover

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

	2020 £000	*Restated 2019 £000*
Rendering of services	**70,115**	*68,968*
	70,115	*68,968*

Analysis of turnover by country of destination:

	2020 £000	*Restated 2019 £000*
United Kingdom and Ireland	**70,115**	*68,968*
	70,115	*68,968*

Timing of revenue recognition:

	2020 £000	*Restated 2019 £000*
Goods and services transferred at a point in time	**69,050**	*67,901*
Goods and services transferred over time	**1,065**	*1,067*
	70,115	*68,968*

Income from all goods and services except for Annual membership is recognised at the point of booking confirmation or the point at which the service is provided. This is when the transfer of control of the goods or services transfers to the customer. Income relating to Annual membership is recognised evenly over the year as this is when the customer has control of the service.

During the year, we performed a review of our revenue streams and discovered that as we sold insurance as an intermediary, we had incorrectly accounted for how this should be presented in the financial statements. Consequently, revenue had been recorded gross instead of on a net basis. The error has been corrected by restating revenue and cost of sales for the year ended 30 September 2019 by £1,752,636. There is no impact on profit or retained earnings.

5. Turnover (continued)

Turnover before exceptional cancellations

	2020 £000	As restated 2019 £000
Rendering of services	77,977	68,698
Exceptional cancellations*	(7,862)	-
	70,115	68,698

*Exceptional cancellations relate to refunds of items directly impacted by Covid-19 that were previously recorded as revenue. These refunds are a goodwill gesture to customers equivalent to the booking fee and commission income earned treated as an exceptional reduction to revenue.

6. Other operating income

	2020 £000	2019 £000
Government grants receivable	125	-
Furlough retention scheme	1,615	-
	1,740	-

7. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Exceptional items	4,507	3,944
Depreciation of tangible fixed assets	1,393	705
Amortisation of intangible assets, including goodwill	4,964	4,103
Impairment of investment	2,165	-
Exchange differences	(54)	151
Defined contribution pension cost	1,103	777

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8. Auditors' remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**70**	*58*

9. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	**19,539**	*14,515*
Contributions to defined contribution plans	**1,103**	*777*
	20,642	*15,292*

Staff costs of £84,000 were recharged from Go Sykes Limited and £1,385,000 to Priestholm Bidco Ltd.

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

	2020	2019
Administration and support	**473**	*388*
Sales	**156**	*153*
	629	*541*

10. Directors' remuneration

	2020 £000	2019 £000
Directors' remuneration	**316**	*464*

The highest paid Director received remuneration of £180,000 (2019 - £265,000). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £7,000 (2019 - £9,000).

11. Interest receivable and similar income

	2020 £000	*2019 £000*
Interest receivable from group undertakings	**728**	*627*
	728	*627*

12. Interest payable and similar expenses

	2020 £000	*2019 £000*
Bank interest payable	**1,350**	*2,227*
Interest payable to group undertakings	**1,434**	*1,546*
Interest on lease liabilities	**375**	*-*
	3,159	*3,773*

13. Tax on profit

	2020 £000	*2019 £000*
Corporation tax		
Current tax on profits for the year	**(85)**	*1,714*
Adjustments in respect of previous periods	**(134)**	*(79)*
	(219)	*1,635*
Total current tax	**(219)**	*1,635*
Deferred tax		
Origination and reversal of timing differences	**(642)**	*(319)*
Changes to tax rates	**139**	*-*
Adjustments in respect of previous periods	**78**	*(10)*
Total deferred tax	**(425)**	*(329)*
Taxation on profit on ordinary activities	**(644)**	*1,306*

13. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2019 - higher than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £000	*2019 £000*
Profit on ordinary activities before tax	5,987	*6,679*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,137	*1,269*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	397	*274*
Capital allowances for year in excess of depreciation	560	*390*
Adjustments to tax charge in respect of prior periods	(272)	*(89)*
Deferred tax relating to hive ups	(306)	*(330)*
Adjustments to tax charge in respect of prior periods - deferred tax	78	*-*
Changes in provisions leading to an increase (decrease) in the tax charge	-	*15*
Other differences leading to an increase (decrease) in the tax charge	1	*11*
Group relief received for nil consideration	(2,378)	*(234)*
Remeasurement of deferred tax for changes in tax rates	139	*-*
Total tax charge for the year	**(644)**	*1,306*

Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3rd March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1st April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end.

14. Exceptional items

	2020	*2019*
	£000	*£000*
Covid 19 related costs *	**2,483**	-
Acquisition costs **	**1,414**	*1,422*
Onerous contract costs	**298**	-
Staff restructuring costs	**147**	*92*
Sale related costs	-	*2,164*
Legal and professional costs	**165**	*5*
Office relocation costs	-	*261*
	4,507	*3,944*

*Covid-19 related costs consist of funds uncollected on bookings cancelled due to the pandemic, refunds of rental on behalf of owners and legal fees.

**Acquisition costs consist of stamp duty, legal and one off consultancy fees relating to the aquisitions of Potter TopCo Limited, Printcater Limited and Coast and Country Holidays Limited.

In addition to the exceptional items noted above as a consequence of Covid-19 the Group also made discretionary refunds of bookings fees and commission income totalling £7,266,000, this is disclosed in note 5.

15. Intangible assets

	Owner Contracts £000	Customer Database £000	Brands £000	Computer software £000	Total £000
Cost					
At 1 October 2019	13,454	1,843	3,333	10,483	29,113
Additions - external	738	149	157	37	1,081
Additions - internal	-	-	-	2,364	2,364
Disposals	-	-	-	(862)	(862)
At 30 September 2020	14,192	1,992	3,490	12,022	31,696
Amortisation					
At 1 October 2019	1,509	405	317	5,849	8,080
Charge for the year on owned assets	1,935	447	368	2,214	4,964
On disposals	-	-	-	(303)	(303)
At 30 September 2020	3,444	852	685	7,760	12,741
Net book value					
At 30 September 2020	10,748	1,140	2,805	4,262	18,955
At 30 September 2019	*11,945*	*1,438*	*3,016*	*4,634*	*21,033*

Internal software development expenditure has been capitalised for a defined project where the expenditure was separately identifiable. The cost will be amortised over 3 years which is the estimated useful life of the asset.

The amortisation and impairment charge is recognised in administrative expenses in the income statement.

16. Goodwill

	2020 £000
Cost	
At 1 October 2019	**18,768**
Additions	**1,251**
At 30 September 2020	**20,019**
Net book value	
At 30 September 2020	**20,019**
At 30 September 2019	*18,768*
	18,768

Goodwill

On 10 December 2019 Sykes Cottages Ltd acquired the trade and assets of Coast & Country Holidays Ltd for £2,165,000 settled by intercompany. Coast & Country Holidays Ltd provide a holiday letting agency service. The transfer of the assets and liabilities has been accounted for using the acquisition method of accounting. An assessment has been made of the fair value to the Company of the assets and liabilities acquired by an independent valuer.

Additions in the year also includes a true up of DCL Newco Limited, a subsidiary of Sykes Cottages Ltd, amounting to £4,000.

Goodwill Impairment

The recoverable amount of cash generating unit as at 30 September 2020 has been determined from a value-in-use calculation that uses cash flow forecasts derived from the most recent financial budgets and forecasts approved by management, covering a three-year period. Budgets and forecasts are based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth, from both businesses acquired in the year, like for like growth, and taking into consideration external economic factors.

Cash flows for the three year period have applied an average growth rate of 29% stepping down to 10% and 5% in years 4 and 5 respectively. Cash flows beyond the five year period are extrapolated using the estimated growth rate of 2% into perpetuity. The growth rate does not exceed the long-term average growth rate for the markets in which the CGU operates.

The pre-tax discount rate of 11.00% is based on the Company's weighted average cost of capital adjusted for specific principal risks and uncertainties. The discount rate takes into account the risk-free rate of return, the market risk premium and beta factor reflecting the average beta for the Company and comparator companies which are used in deriving the cost of equity.

The Board acknowledges that there are additional factors that could impact the risk profile of the CGU, which has been considered by way of sensitivity analysis performed as part of the annual impairment test. Significant headroom exists in the CGU. The level of headroom may change if different growth rate assumptions or a different pre-tax discount rate were used in the cash flow projections, however there are are no reasonably possible changes to these assumptions that would result in an impairment. As a result of this analysis, management has not recognised an impairment.

17. Tangible fixed assets

	Assets under construction £000	Leasehold Property £000	Plant and machinery £000	Office equipment £000	Computer equipment £000	Total £000
Cost						
At 1 October 2019	418	910	78	523	1,993	3,922
Impact of IFRS 16 adoption	-	3,937	117	-	71	4,125
At 1 October 2019 (adjusted balance)	418	4,847	195	523	2,064	8,047
Additions	-	1,152	54	85	285	1,576
Transfers through business combinations	-	59	-	-	6	65
Disposals	-	-	(55)	(119)	(175)	(349)
Transfers	(418)	418	-	-	-	-
At 30 September 2020	-	6,476	194	489	2,180	9,339

17. Tangible fixed assets (continued)

Depreciation						
At 1 October 2019	-	168	43	299	1,244	1,754
Charge for the year on owned assets	-	196	19	128	352	695
Charge for the year on right-of-use assets	-	608	65	-	25	698
Disposals	-	-	(49)	(119)	(175)	(343)
At 30 September 2020	-	972	78	308	1,446	2,804
Net book value						
At 30 September 2020	-	5,504	116	181	734	6,535
At 30 September 2019	*418*	*742*	*35*	*224*	*749*	*2,168*

17. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2020 £000
Tangible fixed assets owned	2,347
Right-of-use tangible fixed assets	4,188
	6,535

Information about right-of-use assets is summarised below:

Net book value

	2020 £000
Property	4,034
Computer Equipment	48
Plant and machinery	106
	4,188

Depreciation charge for the year ended

	2020 £000
Property	(608)
Computer Equipment	(25)
Plant and machinery	(65)
	(698)

Additions to right-of-use assets

	2020 £000
Additions to right-of-use assets	763

The details for the lease liabilities relating to the right-of-uses assets are disclosed in note 24.

18. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 October 2019	**106**
Additions	**23,227**
At 30 September 2020	**23,333**
Impairment	
Charge for the period	**2,165**
At 30 September 2020	**2,165**
Net book value	
At 30 September 2020	**21,168**
At 30 September 2019	*106*

Sykes Cottages Ltd acquired 100% of the share capital of Coast and Country Holidays Ltd on 4 October 2019, Printcater Limited on 28 November 2019 and Potter Topco Limited on 18 December 2019. The investment in Coast and Country Holidays Ltd has been impaired to Nil as the trading assets of the company have been hived up into Sykes Cottages Ltd.

The Company paid a cash consideration for Coast & Country Holidays Ltd of £2,165,000.

The Company paid a cash consideration for Printcater Limited of £3,301,000.

The Company paid a cash consideration for Potter Topco Limited of £17,761,000.

18. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Cornwall Holiday Cottages Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Coast & Country Cottages (Holdings) Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Coast & Country Cottages (South West) Ltd**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Manor Cottages UK Company Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Manor Cottages Laundry Services Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Manor Cottages Property Services Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Manor Cottages Property Services (South) Ltd*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Hideaway Holiday Cottages Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
La Manga Direct Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
DCL NewCo Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Dream Cottages Limited**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Menai Holiday Cottages Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
NZ Bachcare Holdco Limited*	195 Lambton Quay, Wellington Central, Wellington, NZ	Ordinary	100%
Coast and Country Holidays Ltd*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Printcater Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Potter TopCo Limited*	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Bachcare Limited**	Pricewaterhousecoopers Level 26 Pwc Tower, 15 Customs Street West, Auckland, 1010, New Zealand	Ordinary	100%
Fisherbeck Management Limited**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Heart of the Lakes Limited**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Maid in the Cotswolds Ltd**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Traditional Lakeland Cottages Limited**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%

18. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Character Cottage Holidays Limited**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Rock Estates (Cornwall) Limited**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%
Lake District Lodge Holidays Ltd**	3rd Floor 1 Ashley Road, Altrincham WA14 2DT	Ordinary	100%

* Directly owned
** Indirectly owned

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. Debtors: amounts falling due within one year

	2020 £000	2019 £000
Trade debtors	**8,652**	*13,707*
Amounts owed by group undertakings	**56,709**	*16,740*
Other debtors	**106**	*224*
Prepayments	**976**	*885*
Tax recoverable	**338**	*106*
Interest rate hedge	**-**	*4*
	66,781	*31,666*

Transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions.

20. Cash at bank and in hand

	2020 £000	2019 £000
Cash at bank and in hand	**42,766**	*14,373*
	42,766	*14,373*

21. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Bank loans	**-**	*494*
Trade creditors	**4,083**	*2,308*
Amounts owed to group undertakings	**114,767**	*14,333*
Other taxation and social security	**4,104**	*1,510*
Other creditors	**4,568**	*5,439*
Accruals and deferred income	**5,534**	*5,914*
Contract liabilities	**759**	*732*
	133,815	*30,730*

Transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions.

22. Creditors: Amounts falling due after more than one year

	2020 £000	*2019 £000*
Unitranche debt interest accrual	-	*27,823*
Capitalised arrangement fee	-	*(1,154)*
	-	*26,669*

23. Loans

Analysis of the maturity of loans is given below:

	2020 £000	*2019 £000*
Amounts falling due within one year		
Bank loans	-	*494*
	-	*494*
Amounts falling due after more than 5 years		
Bank loans	-	*27,823*
Other loans	-	*(1,154)*
	-	*26,669*
	-	*27,163*

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2020 £000	Carrying amount 2020 £000	Face value 2019 £000	Carrying amount 2019 £000
Unitranche	GBP	LIBOR +6.25%	2023	-	-	27,823	28,317

The carrying amount of debt includes interest accrued at the year end.

As part of the acquisition by Priestholm BidCo Ltd of the Sykes Cottages Group on the 28th October 2019, the Unitranche debt was repaid as part of a refinancing exercise.

24. Leases

Company as a lessee

The company has leases for offices, vehicles and computer equipment. 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 shown within tangible assets and a lease liability.as shown below.

Lease liabilities are due as follows:

	2020 £000
Not later than one year.	489
Between one year and five years	2,753
Later than five years	2,101
	5,343

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2020 £000
Interest expense on lease liabilities	375
Expenses relating to short-term leases	4

The details for the right-of-use assets relating to lease liabilites above are disclosed in note 17.

25. Contract liabilities

	2020 £000	*2019 £000*
Balance at 1 October	732	*-*
Deferred during the year	1,176	*1,082*
Recognised as revenue during the year	(1,149)	*(1,067)*
Conversion to IFRS	-	*717*
Balance at 30 September	759	*732*

26. Deferred taxation

	2020 £000
At beginning of year	**(2,944)**
Charged to the profit or loss	**424**
Arising on business combinations	**(198)**
At end of year	**(2,718)**

The provision for deferred taxation is made up as follows:

	2020 £000	*2019 £000*
Fixed asset temporary differences	**(983)**	*-*
Accelerated capital allowances	**-**	*(1,842)*
Capital losses	**(1,735)**	*-*
Short term temporary differences	**-**	*(1,102)*
	(2,718)	*(2,944)*

27. Share capital

	2020 £000	*2019 £000*
Allotted, called up and fully paid		
100 *(2019 - 100)* Ordinary Shares shares of £1 each	**-**	*-*

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 Company.

28. Coast & Country Holidays Limited

On 10 December 2019 Sykes Cottages Ltd acquired the trade and assets of Coast & Country Holidays Ltd for £2,165,000 settled by intercompany. Coast & Country Holidays Ltd provide a holiday letting agency service. The transfer of the assets and liabilities has been accounted for using the acquisition method of accounting. An assessment has been made of the fair value to the Company of the assets and liabilities acquired by an independent valuer.

The fair values of the assets and liabilities acquired are as follows:

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Tangible	66	-	66
Intangible	-	1,044	1,044
	66	1,044	1,110
Current assets			
Debtors	3	-	3
Cash at bank and in hand	94	-	94
Total assets	163	1,044	1,207
Creditors			
Due within one year	(91)	-	(91)
Deferred tax	-	(198)	(198)
Total identifiable net assets	72	846	918
Goodwill			1,247
Total purchase consideration			2,165

Consideration

	£000
Settled by Intercompany	2,165
Total purchase consideration	2,165

28. Coast & Country Holidays Limited (continued)

29. Contingent liabilities

The Company previously offered customers travel insurance provided by UK General Insurance ('UKGI'). Following a thematic review by the FCA, UKGI have refunded customers for the potential miss-selling of their insurance policies by Sykes Cottages Ltd as an Appointed representative (Amongst other appointed representatives also under review). The current likelihood of a subsequent material liability for Sykes Cottages is possible rather than probable, with UKGI requesting a contribution from Sykes Cottages Ltd, for which no liability is accepted.

30. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,103,000 (2019 - £777,000).

31. Post balance sheet events

The Covid-19 pandemic has had a significant impact on the Company's operations. The business continues to adjust its operations in response to the ongoing changing environment.

The latest government announcement on 22nd February 2021 has been largely positive with travel restrictions beginning to be lifted from the 12th April 2021. As expected, and previously experienced in the initial lockdown, the Company has experienced further unprecedented demand for UK holidays which is strengthening the Company's outlook on cash and profitability.

For further details please see the Going concern disclosure in note 2.

32. Controlling party

At the beginning of the year LivingBridge LLP, was the ultimate controlling party incorporated in the UK. On 28 October 2019, 100% of Sykes Cottages Holdings Limited (Sykes Cottages Group) was acquired by Priestholm Bidco Ltd. Due to the acquisition by Priestholm Bidco Ltd, the ultimate controlling party of Sykes Cottages Ltd is Vitruvian Partners LLP.

At the year ended 30 September 2020, the company was a subsidiary undertaking of Priestholm Topco Ltd which was the ultimate parent company incorporated in Jersey. The ultimate controlling party was Vitruvian Partners LLP.

The smallest group in which the results of the company are consolidated was that headed by Priestholm MidCo Ltd, incorporated in the United Kingdom. The consolidated financial statements of this group may be obtained from 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The largest group in which the results of the company are consolidated was that headed by Priestholm TopCo Ltd, incorporated in Jersey. The consolidated financial statements of this group may be obtained from 2nd Floor One The Esplanade, St.Helier, Jersey, JE2 3QA.