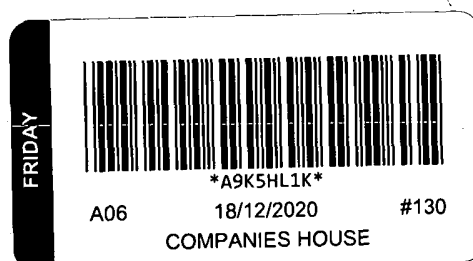


# **Holiday Lettings Limited**

## **Annual Report and Financial Statements**

**31 December 2019**

**Registered number 05282912**



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**Holiday Lettings Limited**

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**Holiday Lettings Limited**

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**COMPANY INFORMATION**

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**Director**

S. Kalvert

**Secretary**

Kemp Little LLP

**Auditor**

KPMG LLP

Arlington Business Park

Theale

Reading RG7 4SD

**Registered Office**

7 Soho Square

London W1D 3QB

**Registered Number**

05282912

## Holiday Lettings Limited

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

#### Introduction

The principal activity of the company is the advertising of holiday rental properties on the internet on behalf of private homeowners and agencies. Main product lines are advertising subscriptions and "Free to List", where owners pay a commission on bookings made through the Holiday Lettings site. As part of this product line, holidaymaker payments for vacation rentals are received by Holiday Lettings, and held on behalf of the homeowner until the holiday has started.

#### Financial key performance indicators

	2019	2018
Revenue (decline) / growth	(8%)	31%
Gross margin	89%	87%
(Decrease) / Increase in administrative expenses	(15%)	34%
Net profit margin	8%	2%
Current ratio	1.56	1.20

#### Business review

Holiday Lettings has shown an improved net profit margin in 2019. Administrative expenses have reduced as a result of a strategic redirection of resources away from Holiday Lettings to higher growth business units within the TripAdvisor group. Profitability has improved from an operating profit of £1,533k in 2018 to an operating profit of £5,082k in 2019.

#### Principal risks and uncertainties

The company is one of the leading companies operating in the holiday home lettings industry and in conjunction with its close ties to the TripAdvisor group, trades from a position of relative strength; with new entrants finding it difficult to grow website traffic levels to sufficient volumes such that they could become a threat. Whilst we cannot rule out the appearance of further new entrants or business models, we believe that our market position and the quality of our product offering enable us to respond effectively to any such threat. The company is committed to the continued development of its product offering in order to strengthen its market share. The company constantly invests in research and development activities. Nevertheless, in the event that new technologies, trends or systems of which we are unaware were introduced into the market place by a competitor, our market share may suffer. Equally, the TripAdvisor brand provides a trusted information source and we see any threat to the integrity of our brand as our most significant risk.

The director believes that there are limited risks relating to operational failures, to financial and legal exposures, due to fraud or embezzlement. The business has few tangible assets and the major intellectual assets are in the design of the website and in the company's brand identity, recognition and reputation. The company endeavours to follow best practice in relation to the security of its website, and continues to invest in site resilience enhancements on an ongoing basis.

The company experiences some currency risk associated with changes in US dollar exchange rates in respect of services supplied and invoiced in USD. Invoices are accrued into the accounts in GBP at the month end exchange rate and settled in USD within the subsequent month. Cash balances held in foreign currencies on behalf of home owners are always paid out in the currency in which they are received so that there is no exchange risk arising between the date of receiving funds from holidaymakers and paying those funds over to home owners.

## Holiday Lettings Limited

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

#### Principal risks and uncertainties (continued)

The foreign exchange gain for the year (shown in note 4) consists of a realised gain on retranslation of cash balances held at the year-end and an unrealised loss arising from the transfer to GBP of commission earned by the company in foreign currencies.

The company works closely with the TripAdvisor corporate treasury team to assess the necessity and suitability of any potential hedging tools.

Our businesses and financial performance are affected by the health of the global economy generally as well as the travel industry and leisure travel in particular. For example, the full impact of the United Kingdom exiting the European Union, known as Brexit, is still to be known and could adversely effect European and global economic or market conditions, could contribute to instability in global financial markets and may have a negative effect on the travel industry and our business.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China, and on March 11, 2020 was declared a global pandemic. We are subject to risks and uncertainties as a result of the COVID-19 pandemic. The impact of COVID-19 has caused material declines in demand within the travel, hospitality, restaurant and leisure industry concurrent with travel bans and increased governmental restrictions and mandates globally that has dampened consumer demand for our products and services, which has adversely and materially affected our business, results of operations and financial condition. We believe the travel industry and our business will continue to be adversely and materially affected while travel bans and other government restrictions and mandates continue to remain in place, particularly in the U.S. However, the extent of the impact of the COVID-19 pandemic on our business remains highly uncertain and difficult to predict, as the response to the pandemic continues to be ongoing, shifting as information is rapidly evolving, and the duration and severity of the pandemic are also uncertain and cannot be predicted. In addition, we do not have visibility into when these bans will be lifted, where additional bans may be initiated, or where bans that have been previously lifted are reinstated due to resurgence of virus, nor do we have visibility into the changes to consumer usage patterns on our platform or travel behaviour patterns when travel bans and other government restrictions and mandates are fully lifted.

Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic disruption could have a material adverse effect on our business as consumers reduce their discretionary spending. Policymakers around the globe have responded with fiscal policy actions to support certain areas of the travel industry and economy as a whole. The magnitude and overall effectiveness of these actions remains uncertain.

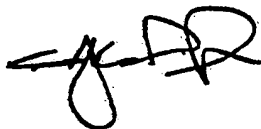
The Company's future results of operations and liquidity could also be adversely impacted by delays in payments of outstanding accounts receivable amounts beyond normal payment terms, travel supplier and restaurant insolvencies, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by the Company and its customers. As of the date of issuance of these financial statements, the extent and duration to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations in the future continues to be uncertain.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

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

Seth Kalvert  
Director

15<sup>th</sup> December 2020



## **Holiday Lettings Limited**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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Registered No. 05282912

The director presents his report and financial statements for the year ended 31 December 2019.

#### **Statement of Director's responsibilities in respect of the Strategic Report, the Director's Report and the Financial Statements**

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless he either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Compliance with Section 172 of the Companies Act 2006**

The directors of the Company must act in accordance with a set of general duties, as detailed in Section 172 of the Companies Act 2006, in order to promote the success of the Company for the benefit of its members as a whole. A summary of these sections that are relevant to our business, along with the actions undertaken by the board to meet these requirements are shown below:

#### **Future plans and the impact of COVID-19**

The online travel industry in which the Company operates is large and growing. However, it also remains highly dynamic and competitive. The Company's overall strategy is to deliver more value to consumers and travel partners in order to generate additional monetization on our platform. In order to achieve this strategy, the Company is continually working on initiatives to increase our traffic quality and deepen consumer engagement on our platform, including, but not limited to, membership growth, personalization, and mobile app initiatives. To this end, the Company is continually focused on building new products and expanding upon existing products that reduce friction throughout the travel planning and trip-taking journey for consumers, including investing in technology to further improve efficiencies and the Company's customer and travel partner

## **Holiday Lettings Limited**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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Registered No. 05282912

experiences. Given the increased levels of uncertainty in the overall UK economic environment and the negative impact to the travel industry and the Company related to COVID-19, the Company has taken several steps during 2020 to strengthen its financial position in order to maintain financial liquidity and flexibility. These steps include, but are not limited to, instituting cost reduction measures, which include a workforce reduction, cessation of nearly all new hiring and contingent staff, furloughing of certain employees, and the elimination of the majority of discretionary spending, business travel, and non-critical vendor relationships.

#### **Employees**

The Company believes its employees are essential to its success. Supporting its people is a foundational value for the Company. The directors believe the Company's success depends on its ability to attract, develop and retain key personnel. The skills, experience and industry knowledge of key employees significantly benefit the Company's operations and performance. The Company's directors and management oversee various employee initiatives.

The Company is committed to take all reasonable steps to be an equal opportunities employer. As such the Company's aim is to treat all employees regardless of sex, age, sexual orientation, race, religion or belief, disability or marital status equally. The Company is committed to eliminating any discriminatory treatment of employees and is keen to work in partnership with all employees in order to achieve this aim. In particular the Company will endeavour to ensure that no employee is discriminated against in relation to any compensation payment, promotion, transfer, or training which is offered to employees.

The Company systematically provides employees with information on matters which affect them and the performance of the Company through company meetings. Employee surveys are also regularly carried out in order to get the views of employees and take these opinions into account when making decisions that are likely to affect their interests.

The Company also encourages the involvement of all permanent employees in the Company's performance through a share scheme.

#### **Business relationships with customers, supplier and consumers**

The directors recognize the importance of maintaining a good relationship with our holiday makers and homeowners as an overall driver to the success of our business. We seek to offer all aspects of travel and accommodations, in order to facilitate the "perfect trip" and deliver a comprehensive vacation rental shopping experience worldwide. This includes providing rich, immersive content – reviews, photos, videos and ratings, among other contributions – and always looking to increase quality supply on our platform. We believe providing consumers tools to discover, research, price shop and book a comprehensive selection of holiday rentals, helps increase brand awareness and brand loyalty and, over time, can result in deeper consumer engagement and a greater number of bookings on our platform.

#### **The desirability of the Company maintaining a reputation for high standards of business conduct**

The directors have consistently maintained a reputation for high standards of business conduct in the Company. We post our code of business conduct and ethics, which applies to all employees, including our directors, on our group company's website at [www.tripadvisor.com](http://www.tripadvisor.com).

#### **Acting fairly between the Company's owners**

Although the Company has only a single shareholder, the directors have been mindful of the various entities that are indirect owners of the Company. The directors have sought to deliver

## **Holiday Lettings Limited**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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Registered No. 05282912

sustainable growth and income over the long term with the appropriate balance of risk and return in the context of the wider market.

#### **Results and dividends**

The profit for the year after taxation amounted to £3,781,000 (2018 profit of £894,000). The director does not recommend a final dividend (2018 – £nil).

#### **Directors**

The directors who served the company during the year were as follows:

S Kalvert

D Halpin (resigned 12 February 2020)

#### **Qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

#### **Research and development activities**

The Company undertakes research and development expenditure in view of developing new products and improving the existing website. Further details are set out in note 1 to the financial statements.

#### **Reappointment of Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

#### **Political and charitable contributions**

During the year, the company made no political contributions (2018 nil).

As part of the company's commitment to the community in which it operates, the company has strong associations with both local and national charities. The company donates time by allowing each member of staff to take two days per calendar year to spend as volunteer workers either for this or other charities within the TripAdvisor volunteering network. The company also actively encourages and supports payroll giving, by matching charitable donations made via this payment method.

#### **Disclosure of information to the auditor**

The director at the time when this director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the auditor is unaware.
- that 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 auditor is aware of that information.



**Holiday Lettings Limited**

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**DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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Registered No. 05282912

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



Seth Kalvert

Director

7 Soho Square, London W1D 3QB

15<sup>th</sup> December 2020

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLIDAY LETTINGS LIMITED

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### Opinion

We have audited the financial statements of Holiday Lettings Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLIDAY LETTINGS LIMITED

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### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

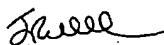
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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



**Jonathan Russell (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

2 Forbury Place  
33 Forbury Road  
Reading  
RG1 3AD

15<sup>th</sup> December 2020

**Holiday Lettings Limited**

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £000	2018 £000
<b>Turnover</b>	3	44,724	48,457
<b>Cost of sales</b>		<u>(4,942)</u>	<u>(6,207)</u>
<b>Gross profit</b>		<b>39,782</b>	<b>42,250</b>
<b>Administrative expenses</b>		<u>(34,720)</u>	<u>(40,717)</u>
<b>Operating profit</b>	4	<b>5,062</b>	<b>1,533</b>
Interest payable		(548)	(931)
Interest receivable and similar income	7	<u>755</u>	<u>315</u>
<b>Profit before taxation</b>		<b>5,269</b>	<b>917</b>
Tax on profit	8	<u>(1,488)</u>	<u>(23)</u>
<b>Profit for the financial year</b>		<b><u>3,781</u></b>	<b><u>894</u></b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b><u>3,781</u></b>	<b><u>894</u></b>

All amounts relate to continuing activities.

The notes on pages 13 to 27 form an integral part of these financial statements.

**Holiday Lettings Limited**  
**BALANCE SHEET AT 31 DECEMBER 2019**

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	9	615	1,205
Tangible assets	10	371	487
Investments	11	-	-
		<u>986</u>	<u>1,692</u>
<b>Current assets</b>			
Debtors	12	33,083	30,133
Cash at bank and in hand		<u>24,456</u>	<u>52,927</u>
		<u>57,539</u>	<u>83,060</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(36,990)</u>	<u>(69,233)</u>
<b>Net current assets</b>		<u>20,549</u>	<u>13,827</u>
<b>Total assets less current liabilities</b>		<u>21,535</u>	<u>15,519</u>
<b>Provisions for liabilities</b>			
Other provisions	14	<u>(618)</u>	<u>(593)</u>
<b>Net assets</b>		<u>20,917</u>	<u>14,926</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Capital contribution		17,297	17,297
Profit and loss account		<u>3,620</u>	<u>(2,371)</u>
<b>Shareholders' funds</b>		<u>20,917</u>	<u>14,926</u>

Registered number 05282912

The notes on pages 13 to 27 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Director on  
and were signed by:

  
Seth Kalvert  
Director

**Holiday Lettings Limited**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2019**

	<i>Share capital £000</i>	<i>Capital contribution £000</i>	<i>Profit and loss account £000</i>	<i>Total Equity £000</i>
At 1 January 2018	—	17,297	(3,663)	13,634
<b>Comprehensive Income for the year</b>				
Profit for the year	—	—	894	894
DCF on intercompany loan	—	—	(285)	(285)
Contribution regarding equity-settled share based payment transactions	—	—	683	683
<b>At 31 December 2018</b>	<b>—</b>	<b>17,297</b>	<b>(2,371)</b>	<b>14,926</b>

	<i>Share capital £000</i>	<i>Capital contribution £000</i>	<i>Profit and loss account £000</i>	<i>Total Equity £000</i>
At 1 January 2019	—	17,297	(2,371)	14,926
<b>Comprehensive Income for the year</b>				
Profit for the year	—	—	3,781	3,781
Contribution regarding equity-settled share based payment	—	—	2,210	2,210
DCF on intercompany loan	—	—	—	—
<b>At 31 December 2019</b>	<b>—</b>	<b>17,297</b>	<b>3,620</b>	<b>20,917</b>

The notes on pages 13 to 27 form an integral part of these financial statements.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. Accounting policies

##### *Basis of preparation of financial statements*

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

##### *Going concern*

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Given the COVID-19 pandemic that has adversely affected the Company's and its group companies' businesses, as discussed in Principal Risks and Uncertainties section in Strategic Report above, the Director has further performed the going concern assessment on a reasonable worst-case scenario covering a period of 12 months from the date of approval of these financial statements, which considers that there would be secondary national and international lockdowns affecting consumer demand, aligned with the initial lockdowns in Q1 and Q2. The cost base for the company was then applied to this scenario spanning a full year.

Consequently, the directors believe that after taking account of reasonably possible downsides, including anticipated impact of COVID-19, the company will have sufficient funds, through funding from its ultimate parent company, Tripadvisor, Inc, to meet its liabilities as they fall due for that period. The directors has also assessed the liquidity position of Tripadvisor, Inc, by considering any reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources as well as any significant discretionary and workforce-related cost reduction measures the Company has taken in response to COVID-19 pandemic.

In addition, Tripadvisor, Inc, also has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date. As with any company placing reliance on other group entities for financial support, the Director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Director is confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

##### *Financial reporting standard 102 – reduced disclosure exemptions*

The Company's ultimate parent undertaking, TripAdvisor Inc, includes the Company in its consolidated financial statements. The consolidated financial statements of TripAdvisor Inc are available to the public and may be obtained from [www.tripadvisor.com](http://www.tripadvisor.com). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. Accounting policies (continued)

As the consolidated financial statements of TripAdvisor Inc. include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

#### *Revenue recognition*

Turnover comprises revenue recognised by the company in respect of holiday property advertisements on the website, exclusive of Value Added Tax and trade discounts.

Subscription revenue is principally billed in advance. The revenue is spread equally over the advert period, with any deferred income held on the balance sheet. The first tranche of revenue is recognised at point of activation of the advert.

Free to List revenue is billed at time of booking, and then deferred and held on the balance sheet until the holiday has started.

#### *Company Information*

Holiday Lettings Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is 05282912 and the registered address is 7 Soho Square, London W1D 3QB

#### *Investments*

Investments in subsidiaries are held as fixed assets and are shown at cost less provision for impairment.

#### *Cash and cash equivalents*

All cash and short-term investments with original maturities of three months or less are considered cash and cash equivalents, since they are readily convertible to cash. These short-term investments are stated at cost, which approximates to fair value.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	–	20% straight line per annum or over the remaining lease term
Fixtures and fittings	–	20% straight line per annum
Office equipment	–	33% straight line per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Intangible assets*

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



## **Holiday Lettings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. Accounting policies (continued)**

All intangible assets are considered to have a finite useful life. Amortisation is provided on a straight line basis over the estimated useful life of the asset up to a maximum of 3 years.

##### ***Operating leases***

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### ***Debtors***

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### ***Creditors***

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### ***Foreign currency translation***

##### **Functional and presentation currency**

The Company's functional and presentation currency is Pounds Sterling.

##### **Transactions and balances**

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

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

##### ***Research and development***

The company undertakes research and development expenditure with a view of developing new products and improving the existing holiday homes website. Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the profit or loss as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of a new product or substantially enhanced website, is capitalised if the new product or the enhanced website is technically and commercially feasible and the company has sufficient resources to complete development.

The expenditure capitalised includes subcontractors and direct labour. Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed when incurred.

Deferred research and development costs are periodically reviewed and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

## **Holiday Lettings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. Accounting policies (continued)**

##### ***Pensions***

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### ***Provisions for liabilities***

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

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

##### ***Current and deferred taxation***

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. •

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### ***Share based payments***

The company participates in the TripAdvisor Inc. 2019 Stock Annual Incentive Plan. Pursuant to the plan, employees can receive remuneration in the form of Stock Options, Restricted Stock Units ("RSUs") and other stock-based awards from TripAdvisor Inc. ("TripAdvisor"), the ultimate parent and controlling company, as set out in note 21. The Company accounts for share based payments in accordance with FRS 102 section 26 Share Based Payments, which requires all employee share awards to be expensed in the profit and loss statement with the expense measured at fair value at the date of grant and amortised over the vesting period.

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## Holiday Lettings Limited

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. Accounting policies (continued)

##### *Restricted Stock Units*

Restricted stock units (RSU) are stock awards that are granted to employees entitling the holder to shares in common stock as the award vests, typically over a four-year period. RSUs are measured at estimated fair value on the number of shares granted and the quoted market price of TripAdvisor common stock at the date of the grant.

##### *Stock Options*

Stock options are measured at their estimated fair value on the grant date by TripAdvisor. The estimated fair value of stock options is calculated using a Black-Scholes Merton option-pricing model (Black-Scholes model). The Black-Scholes model incorporates TripAdvisor assumptions to value stock-based awards, which include the risk free rate of return, expected volatility, expected term and expected dividend yield.

The estimated fair value of both stock options and RSUs, are amortised over the respective vesting terms and the annual share based payment expense, is calculated by TripAdvisor, Inc.

Recharges from the parent entity with respect to these share based payments are recognised in equity and offset against the credit arising from the share based payment expense. Any difference between the two is treated as a distribution or contribution.

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

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Director to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Director believes that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

##### **Depreciation, amortisation and residual values**

The Director has reviewed the asset lives and associated residual values of all fixed asset classes, and has concluded that asset lives and residual values are appropriate.

##### **Impairment**

The Director has considered the valuation of investments in intangible fixed assets, tangible fixed assets and group undertakings. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Director has concluded that the valuation of assets as at the year-end are appropriate.

##### **Deferred taxation**

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows using a suitable growth rate.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

##### Valuation of share based payments

The Director estimates the expected value of equity settled share based payments and this is charged to the profit and loss over the vesting periods of the relevant payments. The cost is estimated using the Black-Scholes valuation model. The Black-Scholes model is based on a number of assumptions, and are amended to take account of estimated levels of share vesting and exercise. This method of estimating the value of the share based payments is intended to ensure that the actual value transferred to employees is provided in share based payment reserve, disclosed within other reserves, by the time the payments are made.

#### 3. Turnover

The analysis of turnover by geographical market:

	2019 £000	2018 £000
United Kingdom	17,929	25,723
Rest of Europe	12,463	11,393
Rest of the world	14,332	11,341
	<u>44,724</u>	<u>48,457</u>

The director considers that all turnover is attributable to the one continuing principal activity of the business.

#### 4. Operating Profit

*This is stated after charging:*

	2019 £000	2018 £000
Auditor's remuneration	37	56
Depreciation of tangible fixed assets	273	533
Amortisation of intangible assets	808	1,397
Profit on foreign exchange	(332)	(12)
Loss on disposal of fixed assets	-	91
Impairment of loan	297	111

#### 5. Director's remuneration

The director's services to the company do not occupy a significant amount of his time due to his roles with other TripAdvisor group companies. As such the director does not consider that he has received any remuneration for his incidental services to the company for the year ended 31 December 2019 (2018 - £nil).

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 6. Staff costs

	2019 £000	2018 £000
Wages and salaries	12,347	9,522
Social security costs	1,402	1,193
Cost of defined contribution pension scheme	371	342
	<u>14,120</u>	<u>11,057</u>

Included in wages and salaries is a total expense of share-based payments of £3,541,000 (2018: £2,743,000) arising from transactions accounted for as equity-settled share-based payment transactions.

The average monthly number of employees during the year was made up as follows:

	2019 No.	2018 No.
Administration	155	135
Management	5	6
	<u>160</u>	<u>141</u>

### 7. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from group companies	204	212
Other interest receivable	551	103
	<u>755</u>	<u>315</u>

### 8. Tax

#### (a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

	2019 £000	2018 £000
<b>Current tax:</b>		
UK corporation tax on the profit for the year	1,189	223
Adjustment in respect of previous period	202	9
Total current tax	<u>1,391</u>	<u>232</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	107	(235)
Adjustments in respect of prior periods	1	1
Effect of changes in tax rates	(11)	25
Total deferred tax (note 8(c))	<u>97</u>	<u>(209)</u>
Tax on profit on ordinary activities (note 8(b))	<u>1,488</u>	<u>23</u>

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

(b) the charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	2019 £000	2018 £000
Profit for the period	5,269	917
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	1,001	174
Effects of:		
Expenses not deductible	82	82
Income not taxable	-	-
Impact of share options	213	(268)
Adjustments in respect of tax rate changes	(11)	25
Effects of Group relief / other reliefs	-	-
Adjustments in respect of previous periods	203	10
Total tax for the year (note 8(a))	1,488	23

### Current liabilities

	2019 £000	2018 £000
Corporation tax	1,188	223
	1,188	223

### Tax (continued)

(c) Deferred tax asset / (liability)

	2019 £000	2018 £000
At 1 January	986	776
Adjustment in respect of prior years	(1)	
Charge to profit and loss account (note 8(a))	(96)	210
Other	(1)	
At 31 December	888	986

The deferred taxation balance is made up as follows:

	2019 £000	2018 £000
Fixed asset timing differences	293	338
Short-term timing differences	595	648
	888	986

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Recoverable within 12 months	230	170
Recoverable after 12 months	658	816
	<u>888</u>	<u>986</u>

**(b) Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £104,518.

#### 9. Intangible assets

	<i>Website development</i> £000	<i>Total</i> £000
<b>Cost:</b>		
At 1 January 2019	4,733	4,733
Additions	279	279
Transfers	—	—
Impairments	(60)	(60)
Disposals	—	—
At 31 December 2019	<u>4,952</u>	<u>4,952</u>
<b>Amortisation:</b>		
At 1 January 2019	3,528	3,528
Charge for the year	809	809
On disposals	—	—
At 31 December 2019	<u>4,337</u>	<u>4,337</u>
<b>Net book value:</b>		
At 31 December 2019	<u>615</u>	<u>615</u>
At 31 December 2018	<u>1,205</u>	<u>1,205</u>

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 10. Tangible fixed assets

	<i>Leasehold improvements</i>	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>ARO</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>Cost:</b>					
At 1 January 2019	113	528	604	436	1,681
Additions	–	26	131	–	157
Transfers	–	(15)	–	–	(15)
Disposals	–	–	–	–	–
At 31 December 2019	113	539	735	436	1,823
<b>Depreciation:</b>					
At 1 January 2019	78	493	302	321	1,194
Charge for the year	20	37	148	68	273
Transfers	–	(15)	–	–	(15)
On disposals	–	–	–	–	–
At 31 December 2019	98	515	450	389	1,452
<b>Net book value:</b>					
At 31 December 2019	15	24	285	47	371
At 31 December 2018	35	35	302	115	487

### 11. Fixed asset investments

		<i>Investment in subsidiary company</i>
		<b>£000</b>
<b>Cost:</b>		
At 1 January and 31 December 2019		
<b>Subsidiary undertaking</b>		
<i>Name</i>	<i>Class of shares</i>	<i>Holding</i>
HouseTrip SA	Registered preferred A shares	100%
Rue Marterey 5, Lausanne, Switzerland, 1005	Registered preferred B shares	100%
	Registered preferred C shares	100%
	Registered preferred D shares	100%
	Registered ordinary shares	100%
		<b>CHF'000</b>
Aggregate amount of capital and reserves		34,381
Loss for the year		913



## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 12. Debtors

	2019 £000	2018 £000
Trade debtors	79	98
Amounts owed by group undertakings	31,886	28,656
Other debtors	17	6
Prepayments and accrued income	213	387
Deferred tax asset (note 8(c))	888	986
	<u>33,083</u>	<u>30,133</u>

Amounts owed by group undertakings, includes interest-bearing loans. On 9 March 2009 the company entered into a loan agreement with its immediate parent Holiday Lettings (Holdings) Limited of up to £20,000,000. The loan is repayable on demand and interest is calculated quarterly at the Bank of England Base rate plus 50 basis points. The interest can either be settled in cash or capitalised to the loan account thereby increasing the outstanding loan balance.

On 27 June 2019 the company entered into a loan agreement with its parent company, TripAdvisor Limited, for \$12,000,000. The loan is repayable on demand and interest is calculated monthly at the Euro Interbank Offered Rate rate plus 200 basis points, provided the interest rate is positive. On 20 November 2019 the company entered into a further loan agreement with TripAdvisor Limited for \$19,000,000. The loan is repayable on demand and interest is calculated monthly at the Euro Interbank Offered Rate rate plus 25 basis points, provided the interest rate is positive. For both loans provided to TripAdvisor Limited, interest will be due on the date the loan is repaid.

#### 13. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	90	116
Social security costs and other taxes	270	(26)
Other creditors	13,448	18,887
Corporation Tax	1,188	223
Accruals	11,657	11,668
Deferred income	6,252	8,151
Amount owed to group undertakings	4,085	30,214
	<u>36,990</u>	<u>69,233</u>

#### 14. Provisions for liabilities

	<i>LT Asset Retirement provision £000</i>	<i>Chargeback provision £000</i>	<i>LT Deferred Revenue provision £000</i>	<i>Total provisions £000</i>
At 1 January 2019	559	8	26	593
Arising during the year	30	2	19	51
Released during the year	-	-	(26)	(26)
At 31 December 2019	<u>589</u>	<u>10</u>	<u>19</u>	<u>618</u>

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### *LT asset retirement provision*

The long-term asset retirement provision is in respect of the occupied premises. The asset and accumulated depreciation is shown within note 10.

#### *Chargeback provisions*

Chargeback provisions are in respect of potential claims by holidaymakers in relation to unsatisfactory bookings for which funds have been disbursed to Home owners, and which are irrecoverable from the homeowner.

#### 15. Issued share capital

			<i>Restated</i>
		2019	2018
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>
			<i>£</i>
Ordinary 'A' shares of £0.00002 each	66,671	1	66,671
Ordinary 'B' shares of £0.00002 each	33,330	1	33,330
		<u>2</u>	<u>2</u>

Significant differences in the rights attached to 'A' and 'B' shareholders are outlined below:

- any transfer of shares will not be registered without the written consent of the 'A' shareholders;
- the compulsory transfer of 'B' shares is triggered when a 'B' shareholder ceases to be an employee or director of the company;
- the holders of 'A' shares voting at any meeting shall be entitled to exercise 75% of the votes exercisable at any meeting of the company;
- dividends are payable only with the consent of the 'A' shareholders;
- 'A' shareholders are required to approve all Director gratuities and pensions;
- 'A' shareholders are required to appoint the Chairman of the Board who will also be an 'A' shareholder;
- the holders of the majority in nominal value of the 'A' shares from time to time may appoint any persons as directors of the company.
- provided that 'B' shareholders hold an aggregate of 10% or more of the entire issued share capital of the company, the holders of the majority in nominal value of the 'B' shares from time to time may appoint any person to be a director of the company.

#### 16. Pensions

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 £371,000 (2018 – £342,000). Contributions totalling £39,000 (2018 – £57,000) were payable to the fund at the balance sheet date and are included in creditors.

#### 17. Related party transactions

The company is a wholly owned subsidiary undertaking of TripAdvisor Inc. The company has taken advantage of the exemption in FRS 102 S33 related party transactions, not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 18. Share based payments

The expense recognised for employee services during the year, is reflected in Administrative Expenses on the Profit and Loss account. The expense arising from equity-settled share-based payment transactions for 2019 was £3,541,000 (2018 £2,743,000)

#### Movements in Restricted Stock Units (RSUs)

The following table sets out the RSU activity and the related weighted average fair value of such movement for the period between December 31, 2018 and December 31, 2019

	Weighted average grant price £	Number	Weighted average grant price £	Number
	2019	2019	2018	2018
Outstanding at the beginning of the year	36.38	202,443	38.07	150,058
Granted during the year	37.01	156,132	34.65	118,827
Transfer <sup>1</sup>	33.58	(4,930)	39.95	(18,349)
Cancellations during the year	36.80	(11,336)	35.17	(8,180)
Exercised during the year	37.07	(60,982)	44.49	(39,913)
<b>Outstanding at the end of the year</b>	<b>35.75</b>	<b>281,327</b>	<b>36.38</b>	<b>202,443</b>

<sup>1</sup>transfer of subsidiary by employee

#### Movements in Stock options

The following table sets out the stock option activity and the related weighted average fair value of such movement for the period between December 31, 2018 and December 31, 2019

	Weighted average exercise price £	Number	Weighted average exercise price £	Number
	2019	2019	2018	2018
Outstanding at the beginning of the year	36.49	14,811	36.79	23,528
Granted during the year	33.56	12,111	33.24	6,482
Transfer <sup>1</sup>	-	-	37.77	(8,107)
Cancellations during the year	-	-	47.46	(3,145)
Exercised during the year	30.46	(580)	34.30	(3,947)
<b>Outstanding at the end of the year</b>	<b>33.16</b>	<b>26,342</b>	<b>36.49</b>	<b>14,811</b>

<sup>1</sup>transfer of subsidiary by employee

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### Share based payments (continued)

	2019	2018
Dividend yield (%)	0.00%	0.00%
Expected share price volatility (%)	42.07%	42.17%
Risk-free interest rate (%)	1.51%	2.68%
Expected life of option (years)	5.19	5.45
Weighted average share price for options granted	£33.56	£33.24
Weighted average fair value for options granted	£14.73	£14.05

#### 19. Events after the balance sheet date

On the 21<sup>st</sup> of February 2020 Holiday Lettings Limited issued a loan to its parent company, TripAdvisor Ltd, in the principal amount of £7M. Interest will accrue on the loan and will be due on the date that the loan is repaid.

On the 28th August 2020 Holiday Lettings Ltd sold HouseTrip SA & its subsidiaries to TripAdvisor Limited for the purchase price of GBP £1, the equivalent of the fair market value of the shares.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China, and on March 11, 2020 was declared a global pandemic. We are subject to risks and uncertainties as a result of the COVID-19 pandemic. Please refer to the Strategic Report on page 3 for further information regarding the potential impact of COVID-19 on the business.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### 20. Parent company, ultimate parent undertaking and controlling party

Holiday Lettings Limited's parent company is Holiday Lettings Holdings Limited. The ultimate parent undertaking and the largest group of undertakings of which the company is a member and for which group financial statements are prepared, is TripAdvisor Inc., a company incorporated in the United States of America, at 400 1<sup>st</sup> Avenue, Needham, MA 02494 United States. The director considers TripAdvisor Inc., to be the ultimate controlling party.

The consolidated financial statements of TripAdvisor Inc. may be obtained from [www.tripadvisor.com](http://www.tripadvisor.com)

#### 21. Legal form of entity and country of incorporation

Holiday Lettings Limited (the "Company") is a limited company limited by shares and incorporated and domiciled in the UK.