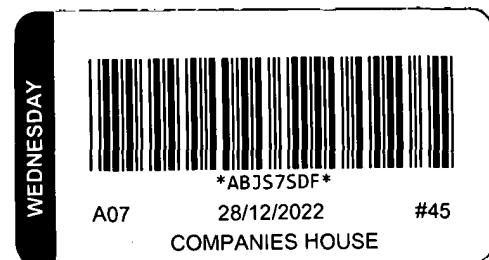


# HOLIDAY LETTINGS LIMITED

Registered Number: **05282912**

Please find enclosed the financial statements for the above named company for the year ended 31 December 2021 for filing.



# **Holiday Lettings Limited**

## **Annual Report and Financial Statements**

31 December 2021

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

**Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU  
United Kingdom

**Registered Office**

7 Soho Square  
London W1D 3QB  
United Kingdom

**Registered Number**

05282912

## Holiday Lettings Limited

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his report together with the audited financial statements of Holiday Lettings Limited ("the Company").

#### Introduction

The principal activity of the Company continued to be that of the advertising of holiday rental properties on the internet on behalf of private homeowners and agencies, whereby travellers and 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.

#### Business review and financial key performance indicators

	2021	2020
Revenue (decline)	(13%)	(57%)
Gross margin	90%	88%
(Decrease) in administrative expenses	(50%)	(53%)
Net profit after tax margin	46%	2.6%
Current ratio	3.2	2.9

Holiday Lettings has shown an increased net profit margin in 2021. 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. While revenue has reduced as a result of reduced marketing spend, profitability has increased from an operating profit of £823k in 2020 to an operating profit of £7,033k in 2021. This is a result of decreased administrative expenses. Management continue to assess priorities and opportunities regarding vacation rental offerings within the TripAdvisor group.

Shareholder's funds at the end of the period were £27,174,000.

#### Principal risks and uncertainties

The director believes that there are limited risks relating to operational failures and 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, and loans issued to intermediate parent Company, TripAdvisor Limited, in USD. 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.

We continue to be subject to risks and uncertainties as a result of the COVID-19 pandemic. The timing of widespread vaccine distributions, efficacy against any future or existing variants of COVID-19, whether there will be resurgences of the virus and subsequent government restrictions, the extent and effectiveness of containment actions taken, and whether consumers' demand for travel and hospitality services continue to be negatively impacted remain uncertain. Therefore, the continuing extent of the impact of the COVID-19 pandemic on our business, results of operations, liquidity and financial condition remains uncertain, and is dependent on future developments that cannot be accurately predicted at this time.

**Holiday Lettings Limited**

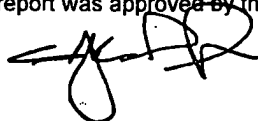
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**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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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

A handwritten signature in black ink, appearing to be 'Seth Kalvert', written over the text 'approved by'.

Seth Kalvert  
Director

22<sup>nd</sup> December 2022

## **Holiday Lettings Limited**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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Registered No. 05282912

The director presents his report together with the audited financial statements of Holiday Lettings Limited ("the Company").

#### **Results and dividends**

The profit for the year after taxation amounted to £7,688,000 (2020 profit of £512,000). The director does not recommend a final dividend for the year ended 31 December 2021 (2020 – £nil).

#### **Directors**

The director who served the Company during the year was as follows:

S Kalvert

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

The Company has granted an indemnity to its director 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.

#### **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.

## **Holiday Lettings Limited**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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Registered No. 05282912

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

During the year, the Company made no political contributions (2020: nil).


#### **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.

**BDO LLP were appointed as auditors during the year. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.**

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



Seth Kalvert

Director

7 Soho Square, London W1D 3QB

22<sup>nd</sup> December 2022

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

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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.

We have audited the financial statements of Holiday Lettings Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

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

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.

### Other information

The Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work

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

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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.

### **Opinions on other matters prescribed by the Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 and Director's 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Director's report and statement of Director's responsibilities, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### ***Extent to which the audit was capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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- We obtained an understanding of the legal and regulatory framework applicable to the Company and determined that the most significant which are directly relevant to the specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006);
- We determined how the Company is complying with those legal and regulatory frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance procedures, corroborating our enquiries through our review of board minutes;
- We used an engagement team with appropriate competence and capabilities to identify non-compliance with laws and regulations; and
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it is considered there was a susceptibility to fraud. We also considered the processes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those processes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and reviewing key areas of estimation uncertainty or judgement for potential bias, and were designed to provide reasonable assurance that the financial statements were free of fraud or error.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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.

DocuSigned by:

*Joseph Aswani*

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Joseph Aswani (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

22 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Holiday Lettings Limited**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021 £000	2020 £000
	Notes		(restated)
<b>Turnover</b>	4	16,811	19,383
Cost of sales		(1,705)	(2,420)
<b>Gross profit</b>		<b>15,106</b>	<b>16,963</b>
Administrative expenses		(8,073)	(16,211)
Other operating income		-	71
<b>Operating profit</b>	5	<b>7,033</b>	<b>823</b>
Interest payable		-	(89)
Interest receivable and similar income	8	288	378
<b>Profit before taxation</b>		<b>7,321</b>	<b>1,112</b>
Tax on profit	9	367	(600)
<b>Profit after taxation for the financial year</b>		<b>7,688</b>	<b>512</b>

All amounts relate to continuing activities. There was no other comprehensive income or loss during the year ended 31 December 2021.

The notes on pages 12 to 26 form an integral part of these financial statements.

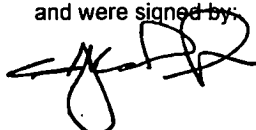
**Holiday Lettings Limited**

**BALANCE SHEET AT 31 DECEMBER 2021**

		2021 £000	2020 £000
	Notes		(restated)
<b>Non-current assets</b>			
Intangible assets	10	143	329
Tangible assets	11	35	147
Deferred tax asset	9	251	-
		<u>429</u>	<u>476</u>
<b>Current assets</b>			
Debtors	12	34,873	32,821
Cash at bank and in hand		<u>13,548</u>	<u>13,279</u>
		<b>48,421</b>	<b>46,100</b>
<b>Creditors: amounts falling due within one year</b>	13	<u>(15,073)</u>	<u>(15,960)</u>
<b>Net current assets</b>		<b>33,348</b>	<b>30,140</b>
<b>Total assets less current liabilities</b>		<b>33,777</b>	<b>30,616</b>
<b>Provisions for liabilities</b>	14	(6,603)	(11,130)
<b>Net assets</b>		<u><b>27,174</b></u>	<u><b>19,486</b></u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Capital contribution		17,297	17,297
Profit and loss account		<u>9,877</u>	<u>2,189</u>
<b>Shareholder's funds</b>		<u><b>27,174</b></u>	<u><b>19,486</b></u>

**Registered number 05282912**

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



Seth Kalvert

Director

22<sup>nd</sup> December 2022

The notes on pages 12 to 26 form an integral part of these financial statements.

**Holiday Lettings Limited**

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**STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 DECEMBER 2021**

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	<i>Share capital</i> £000	<i>Capital contribution</i> £000	<i>Profit and loss account</i> £000	<i>Total Equity</i> £000
At 1 January 2020	—	17,297	3,017	20,314
<b>Comprehensive income for the year</b>				
Profit for the year	—	—	512	512
Contribution regarding equity-settled share based payment transactions (note 17)	—	—	(1,340)	(1,340)
<b>At 31 December 2020</b>	<b>—</b>	<b>17,297</b>	<b>2,189</b>	<b>19,486</b>

	<i>Share capital</i> £000	<i>Capital contribution</i> £000	<i>Profit and loss account</i> £000	<i>Total Equity</i> £000
At 1 January 2021	—	17,297	2,189	19,486
<b>Comprehensive income for the year</b>				
Profit for the year	—	—	7,688	7,688
<b>At 31 December 2021</b>	<b>—</b>	<b>17,297</b>	<b>9,877</b>	<b>27,174</b>

The notes on pages 12 to 26 form an integral part of these financial statements.

## **Holiday Lettings Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1. Accounting policies**

##### ***Statutory information***

Holiday Lettings Limited (the "Company") is a private limited Company, limited by shares, and incorporated and domiciled in England and Wales in the United Kingdom under the Companies Act 2006. The principal activity is set out in the Strategic Report.

##### ***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 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 presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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. We continue to be subject to risks and uncertainties as a result of the COVID-19 pandemic. The timing of widespread vaccine distributions, efficacy against any future or existing variants of COVID-19, whether there will be resurgences of the virus and subsequent government restrictions, the extent and effectiveness of containment actions taken, and whether consumers' demand for travel and hospitality services continue to be negatively impacted remain uncertain. Therefore, the continuing extent of the impact of the COVID-19 pandemic on our business, results of operations, liquidity and financial condition remains uncertain, and is dependent on future developments that cannot be accurately predicted at this time. We continue to believe the travel industry and our financial results, will continue to be adversely and materially affected if any new variants emerge and lingering travel bans and other government restrictions and mandates continue to remain in place or be reinstated, all of which negatively impact consumer demand, sentiment and discretionary spending patterns.

However, the director believes that after taking account of reasonable possible downsides, including anticipated further impacts of COVID-19, the Company will have sufficient funds, through funding from its intermediate parent Company, Tripadvisor, LLC., to meet its liabilities as they fall due for that period.

Tripadvisor, LLC. also has indicated its intention to continue to make available such funds as are needed by the Company. The directors acknowledge 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.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### Accounting policies (continued)

##### *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). As such, the Company is considered to be a qualifying entity 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;
- the requirements of Section 7 Statement of Cash Flows and
- the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7.

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.

Holiday Lettings acts in the capacity of an agent on behalf of homeowners or property managers and revenue is recognised net. The Company collects a fee from both the homeowner and renter by serving as middleman between the two. The Company is delivering agency services to both parties and hence both parties are customers in the arrangement.

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

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.

Pay Per Lead revenue is specific to property management companies who list their inventory on the Company's website. Leads refer to email inquiries, phone inquiries, or traveler initiated payments ("TIPs") which refer to a traveler submitting a booking request. Pay per Lead revenue is billed and recognised in the period when the leads are delivered to the property management company. The listing service for this revenue stream is an activity that the agent performs to satisfy its promise (i.e., to achieve the lead), but it does not transfer a good or service to the property management company. Revenue is earned and recognised by the Company at the point in time when an email inquiry, phone inquiry, or TIPs is provided to the property management company.

Intercompany revenue is derived primarily from management and marketing service fees charged to related parties. Revenue is recognised monthly when the services have been provided based on expenses incurred during the period.

## **Holiday Lettings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Accounting policies (continued)**

##### ***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***

Where websites are expected to generate future economic benefit and capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible. Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Amortisation is provided on a straight line basis over the estimated useful life of the asset up to a maximum of 3 years and the amortisation charge is recognised within 'administrative expenses' in the statement of comprehensive income. The basis for choosing these useful lives is due to the period of time that the Company expects to receive inflows of economic benefits from the use of the intangible assets.

##### ***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

## Holiday Lettings Limited

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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when the fair value was determined. All foreign exchange gains or losses are presented in 'administrative expenses' in the statement of comprehensive income.

#### ***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 statement of comprehensive income 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. Deferred tax is not discounted.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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.

##### 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.

##### Intercompany positions

The Company has intercompany positions for which the expectations are that all will be fully paid and received without a premium or discount. In assessing the recoverability of amounts owed to the Company by fellow group undertakings, management has considered the anticipated cash flow within the wider group and the support from the ultimate parent company and has deemed these balances recoverable. In determining whether transactions with the wider group have been conducted on an arms' length basis. These decisions involve the input of internal and external tax advisors to the wider group and Company, including analysis of comparable companies and groups who operate in similar markets to the wider group.

#### 3. Restatement due to reclassification and prior period errors

During the year ended 31 December 2020, the Company identified the following reclassifications and prior period errors.

- i. The company recorded the foreign exchange difference on its loan owed by group undertaking in Creditors: amounts falling due within one year on the balance sheet, while in accordance with FRS 102 S30, the exchange difference shall be recognised in the statement of comprehensive income. As a result, the Company reported an understatement of foreign exchange loss (included in the administrative expenses line item in the statement of comprehensive income) or an overstatement of profit after taxation in its statement of comprehensive income during the year ended 31 December 2020, and an understatement of Creditors: amounts falling due within one year and profit and loss account on its balance sheet at 31 December 2020. Accordingly, the Company corrected this prior period error in its current period financial statements by restating the comparative prior period financial statements.
- ii. In the prior year, amounts owed by and to group undertakings were classified in the financial statements based on the net position held in the related general ledger codes. During the year under audit, Management performed an analysis of these account codes and reclassified balances based on the net amount owed by or to each individual counterparty. This correction impacted the gross amounts owed by and to group undertakings on the balance sheet, however there was no net effect on the net assets of the Company as at 31 December 2020.
- iii. The Company reclassified its uncertain other taxes provision from Creditors: amounts falling due within one year to Provision for liabilities on balance sheet due to the uncertainty over the timing of the settlement of such provision. This reclassification impacted the net current assets/(liabilities) on the balance sheet, however there was no net effect on the net assets of the Company as at 31 December 2020.

The following table summarizes the impact of the restatement on the Company's financial statements for the year ended and as at 31 December 2020.

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### Statement of Comprehensive Income

	As previously reported £000	Adjustment (i.) £000	Adjustment (ii.) £000	Adjustment (iii.) £000	As restated £000
Administrative expenses	(15,535)	(676)	-	-	(16,211)
Operating profit	1,499	(676)	-	-	823
Profit before taxation	1,788	(676)	-	-	1,112
Profit after taxation for the financial year	1,188	(676)	-	-	512

### Balance Sheet

	As previously reported £000	Adjustment (i.) £000	Adjustment (ii.) £000	Adjustment (iii.) £000	As restated £000
Debtors	42,097	-	(9,276)	-	32,821
Current assets	55,376	-	(9,276)	-	46,100
Creditors: amounts falling due within one year	(35,006)	(1,279)	9,276	11,049	(15,960)
Net current assets / (liabilities)	20,370	(1,279)	-	11,049	30,140
Total assets less current liabilities	20,846	(1,279)	-	11,049	30,616
Provision for liabilities	(81)	-	-	(11,049)	(11,130)
Net assets	20,765	(1,279)	-	-	19,486
Capital and reserves					
Retained earnings	2,281	(603)	-	-	1,678
Profit and loss account	1,187	(676)	-	-	511
Shareholders' funds	20,765	(1,279)	-	-	19,486

## 4. Turnover

The analysis of turnover by geographical market:

	2021 £000	2020 £000
United Kingdom	10,137	8,129
Rest of Europe	4,685	3,572
Rest of the world	1,989	7,682
	<u>16,811</u>	<u>19,383</u>

The director considers that all turnover is attributable to the one continuing principal activity of the business. The analysis of turnover by revenue stream:

	2021 £000	2020 £000
Free to list	14,033	9,425
Intercompany commission income	1,977	8,611
Subscription	712	1,144
Pay per lead	89	203
	<u>16,811</u>	<u>19,383</u>

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 5. Operating Profit

<i>This is stated after charging/(crediting):</i>	<i>2021</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>
Auditor's remuneration	56	53
Depreciation of tangible assets	112	209
Amortisation of intangible assets	186	453
Foreign exchange loss/(gain)	(196)	653
Impairment of loan	-	102

### 6. 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 2021 (2020 - £nil).

### 7. Staff costs

	<i>2021</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	-	3,819
Social security costs	-	678
Cost of defined contribution pension scheme	-	224
	-	4,721

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

	<i>2021</i>	<i>2020</i>
	<i>No.</i>	<i>No.</i>
Administration	-	70
Management	-	2
	-	72

During the year ended 31 December 2020, staff contracts were moved to another entity in the wider group. Subsequent to that move, the Company receives services from affiliate companies that enable it to support its vacation rental ("VR") business. The costs of individuals, employed by affiliate entities, supporting the VR business are a component of the transfer pricing costs charged to the Company.

### 8. Interest receivable and similar income

	<i>2021</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>
Interest receivable from group companies	280	342
Other interest receivable	8	36
	288	378

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 9. Taxation

The tax expense included in the statement of comprehensive income is comprised of:

	2021 £000	2020 £000
<b>Current tax:</b>		
UK corporation tax on the profit for the year	-	-
Adjustment in respect of previous period	(282)	2
<b>Total current tax</b>	<b>(282)</b>	<b>2</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	26	702
Adjustments in respect of prior periods	(39)	-
Effect of changes in tax rates	(72)	(104)
<b>Total deferred tax</b>	<b>(85)</b>	<b>598</b>
<b>Tax on profit on ordinary activities</b>	<b>(367)</b>	<b>600</b>

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

	2021 £000	2020 £000
<b>Profit for the period</b>	<b>7,321</b>	<b>1,788</b>
<b>Tax on profit at standard UK tax rate of 19.00% (2020: 19.00%)</b>	<b>1,391</b>	<b>340</b>
<b>Effects of:</b>		
Expenses not deductible	(4)	19
Income not taxable for tax purposes	(103)	-
Impact of share options driven by transfer of employment of options holders from the Company to other affiliate entities	-	538
Adjustments in respect of tax rate changes	(72)	(104)
Effects of group relief	(1,258)	(195)
Adjustments in respect of previous periods	(321)	2
<b>Total tax for the year</b>	<b>(367)</b>	<b>600</b>

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The movement in the deferred tax asset can be reconciled as follows:

	2021 £000	2020 £000
At 1 January	290	888
Adjustment in respect of prior years	39	-
Amount charged/(credited) to statement of comprehensive income	46	(598)
	<u>375</u>	<u>290</u>
At 31 December	<u>375</u>	<u>290</u>

The deferred taxation balance is made up as follows:

	2021 £000	2020 £000
Fixed asset timing differences	<u>375</u>	<u>290</u>
	<u>375</u>	<u>290</u>
Recoverable within 12 months	124	-
Recoverable after 12 months	251	290
	<u>375</u>	<u>290</u>

(d) Factors that may affect future tax charges

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% (effective 1 April 2023). The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

# Holiday Lettings Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10. Intangible assets

*Website  
development  
£000*

**Cost:**

At 1 January 2021	5,119
At 31 December 2021	<u>5,119</u>

**Amortisation:**

At 1 January 2021	4,790
Charge for the year	186
At 31 December 2021	<u>4,976</u>

**Net book value:**

At 31 December 2021	<u>143</u>
At 31 December 2020	<u>329</u>

### 11. Tangible fixed assets

	<i>Leasehold improvements</i>	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>Total</i>
	£000	£000	£000	£000

**Cost:**

At 1 January 2021	113	528	747	1,388
Disposals	–	–	(1)	(1)
At 31 December 2021	<u>113</u>	<u>528</u>	<u>746</u>	<u>1,387</u>

**Depreciation:**

At 1 January 2021	113	518	610	1,241
Charge for the year	–	3	109	112
On disposals	–	–	(1)	(1)
At 31 December 2021	<u>113</u>	<u>521</u>	<u>718</u>	<u>1,352</u>

**Net book value:**

At 31 December 2021	<u>-</u>	<u>7</u>	<u>28</u>	<u>35</u>
At 31 December 2020	<u>-</u>	<u>10</u>	<u>137</u>	<u>147</u>

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12. Debtors

	2021 £000	2020 £000 (restated)
Trade debtors	4	7
Amounts owed by group undertakings	34,143	32,367
Other debtors	293	15
Corporation tax	186	-
Prepayments and accrued income	123	143
Deferred tax asset (see note 9)	124	289
	<u>34,873</u>	<u>32,821</u>

Amounts owed by group undertakings, includes interest-bearing loans, which are as follows:

Loan Issue Date and repayment date	Group Undertaking	Loan amount	Loan Currency	Interest	2021 Amount drawn down (in loan currency)	2021 Amount drawn down (in £)	2020 Amount drawn down (in loan currency)	2020 Amount drawn down (in £)
9 March 2009 – Repayable on demand	Holding Lettings Holdings Limited	£20,000,000	GBP	Quarterly at the Bank of England base rate plus 50 basis points	£3,991,000	£3,991,000	£3,953,000	£3,953,000
27 June 2019 – Repayable on demand	TripAdvisor Limited	\$12,000,000	USD	Monthly at the Euro Interbank Offered Rate rate plus 200 basis points, provided the interest rate is positive	\$12,000,000	£8,880,982	\$12,000,000	£8,791,157
20 November 2019 – Repayable on Demand	TripAdvisor Limited	\$19,000,000	USD	Monthly at the Euro Interbank Offered Rate rate plus 25 basis points, provided the interest rate is positive	\$19,000,000	£14,061,554	\$19,000,000	£13,919,332
21 February 2020 – Repayable on demand	TripAdvisor Limited	£7,000,000	GBP	Monthly at the Euro Interbank Offered Rate rate plus 200 basis points, provided the interest rate is positive	£7,000,000	£7,000,000	£7,000,000	£7,000,000

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 £000	2020 £000 (restated)
Trade creditors	95	77
Social security costs and other taxes	-	160
Amount owed to group undertakings	518	1,942
Other creditors	10,010	9,182
Accruals	437	493
Deferred income	4,013	4,106
	<u>15,073</u>	<u>15,960</u>

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

#### 14. Provisions for liabilities

	<i>Chargeback provision £000</i>	<i>Long term deferred revenue £000</i>	<i>Uncertain other taxes provision £000</i>	<i>Total provisions £000</i>
At 1 January 2021	10	71	11,049	11,130
Arising during the year	-	29	76	105
Released during the year	-	(71)	(4,561)	(4,632)
At 31 December 2021	<u>10</u>	<u>29</u>	<u>6,564</u>	<u>6,603</u>

##### **Chargeback provisions**

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

##### **Uncertain other taxes provision**

The provision relates to the Director's best estimate of potential future cash outflow. The timing of any resulting payments is uncertain.

The Company has recorded the other taxes provision without any impact of discounting. The directors have concluded that this is appropriate as any amounts due would be due on demand, however the quantum and timing of eventual settlement is unknown.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2021</i>	<i>No.</i>	<i>2020</i>
		<i>£</i>		<i>£</i>
Ordinary 'A' shares of £0.00002 each	66,671	1	66,671	1
Ordinary 'B' shares of £0.00002 each	33,330	1	33,330	1
		<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. 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.

#### 17. Share based payments

The expense arising from transactions accounted for as equity-settled share-based payment transactions is reflected in administrative expenses on the statement of comprehensive income. During the year ended 31 December 2020, staff contracts were moved to another entity in the wider group. Therefore, this is £nil for 2021 (2020: reversal of £497,000). The Company operated a sell to cover arrangement where RSUs were sold to cover the withholding tax on share options exercised and vested RSUs. The net amount of £nil (2020 - £1,340,000) is recognized as the movement in the statement of changes in equity in relation to RSUs.

## Holiday Lettings Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 17. Share based payments (continued)

##### 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, 2021 and December 31, 2020

	Weighted average grant price £	Number	Weighted average grant price £	Number
	2021	2021	2020	2020
Outstanding at the beginning of the year	-	-	35.75	281,327
Granted during the year	-	-	19.32	11,251
Transfer <sup>1</sup>	-	-	34.78	(243,225)
Cancellations during the year	-	-	27.55	(38,906)
Exercised during the year	-	-	36.14	(10,447)
<b>Outstanding at the end of the year</b>	-	-	-	-

<sup>1</sup>transfer of employees to an entity in the wider group

##### 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, 2019 and December 31, 2020

	Weighted average exercise price £	Number	Weighted average exercise price £	Number
	2021	2021	2020	2020
Outstanding at the beginning of the year	-	-	33.16	26,342
Granted during the year	-	-	19.68	2,525
Transfer <sup>1</sup>	-	-	32.56	(25,592)
Cancellations during the year	-	-	20.81	(3,275)
Exercised during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	-	-	-	-

<sup>1</sup>transfer of employees to an entity in the wider group

##### Key Assumptions

	2021	2020
Dividend yield (%)	-	0.00%
Expected share price volatility (%)	-	42.67%
Risk-free interest rate (%)	-	1.24%
Expected life of option (years)	-	5.26
Weighted average share price for options granted	-	£19.68
Weighted average fair value for options granted	-	£7.78

## **Holiday Lettings Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **18. Parent Company, ultimate parent undertaking and controlling party**

The immediate parent Company of Holiday Lettings Limited is Holiday Lettings (Holdings) Limited, a Company incorporated in the United Kingdom.

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)