Time Out Group plc
Annual Report and Accounts 2022
For 12 months ended 30 June 2022

BEST
UR CITY

Time Out Group is a leading global media and hospitality business that inspires and enables people to discover and experience the best of the city.

Through two highly synergistic business divisions – Time Out Media and *Time Out Market* – we help our *large audience go out* better in the world's greatest cities and connect global brands as well as local talent with this valuable audience.

Time Out is the only global brand dedicated to city life and since 1968, our professional journalists have curated and created content about the best things to Do, See and Eat. Today we do this across 333 *cities in* 59 countries through a unique multi platform model spanning both digital and physical channels.

For more information visit

What's inside

STRATEGIC REPORT

Highlights

2022 FINANCIAL & OPERATING SUMMARY

£72.9m

[illegible]

Gross revenue increased by [illegible] to £72.[illegible] (2021 18m: £[illegible]) and [illegible] by [illegible] to £[illegible] (2021 18m: £[illegible])

£44.6m

Gross profit increase

Gross profit increased 18[illegible] to £44.[illegible] (2021 18m: £30.[illegible])

£1.2m

Group adjusted EBITDA

Improved significantly to positive territory of £1.2m (2021 18m: £[illegible] loss)

£14.1m

[illegible]

Group operating loss [illegible] significantly to £14.1m (2021 18m: £[illegible] loss)

£4.8m

[illegible]

Cash of £4.8m at 30 June 2022 (2021: £[illegible]) and borrowings of £[illegible] (2021: £[illegible]), resulted in adjusted net debt of £[illegible]. Reported net debt was £[illegible] (2021: £[illegible]) including £[illegible] (2021: £[illegible]) of IFRS 16 lease liabilities.

€35.0m

[illegible]

Refinancing completed post year end with new four year term loan facility of €35.0m signed on 21 November 2022. €[illegible] of the facility remains undrawn and the agreement allows an extension to €[illegible] by mutual consent.

1. [illegible]
2. [illegible]
3. [illegible]
4. [illegible]

Operational highlights

Market:

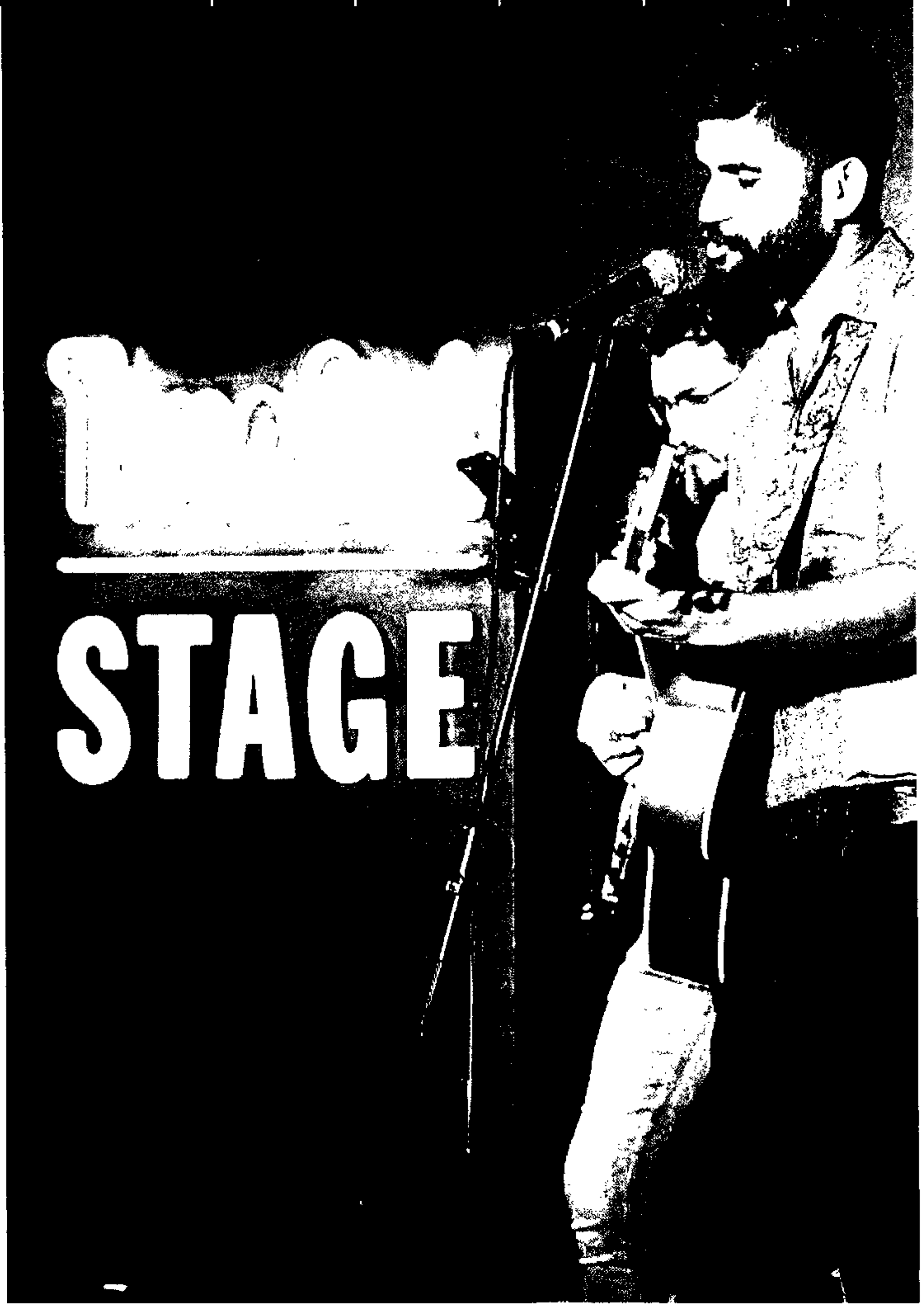
[illegible]

- All seven Markets are open with a restricted curation of the best of the city, return of footfall and strong trading with net revenue increasing to £28.[illegible] (2021: £12.[illegible])
- Osaka and post year end, Cape Town, Vancouver and Riyadh management agreements signed, taking the number of open and contracted sites to fourteen
- A significant pipeline of further Management Agreements in advanced negotiations as a result of increased engagement with real estate developers

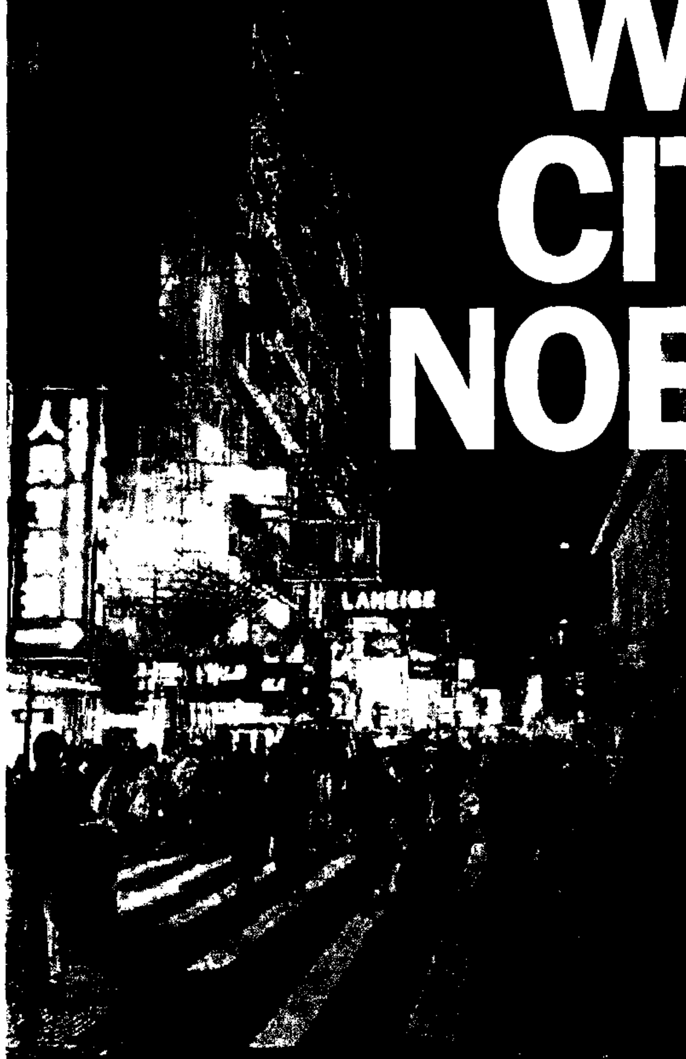
Media:

[illegible]

- Completion of transition from a traditional print to a digital first multi platform strategy, enabling the Media division to increasingly tap into the higher margin, growing digital advertising space
- 20[illegible] growth in digital net revenue with particular success from Creative Solutions campaigns for major global brands
- Combined digi physical Media and Market campaigns attracting new clients and increased, high revenue advertiser spend



Our purpose



WE KNOW CITIES LIKE NOBODY ELSE

Our purpose is to enrich people's lives by helping them go out better and experience the best of the world's greatest cities.

We know cities like nobody else – we know because we go. Every day, we discover extraordinary, new, unique experiences in cities around the world. Our expertise is unparalleled and our mission brilliantly simple: we show people how to go out better and have an amazing time in the cities we love as much as they do. In a world with too much information, our professional journalists curate the best of the city. It's a mission that has never been more relevant now that we can all make the most of our cities again.

What makes Time Out Group stand out

333

Time Out's professional journalists curate and create unique content about the best of the city – about things to Do, See and Eat

Trusted

From blue chip advertising clients to the world's best chefs and real estate companies – we have the ability to build strong relationships

72m

Time Out is a globally recognised brand with a highly engaged and experience-hungry audience

Global

There are now 7 Time Out Markets open and 7 signed – with a growing pipeline of further locations around the world

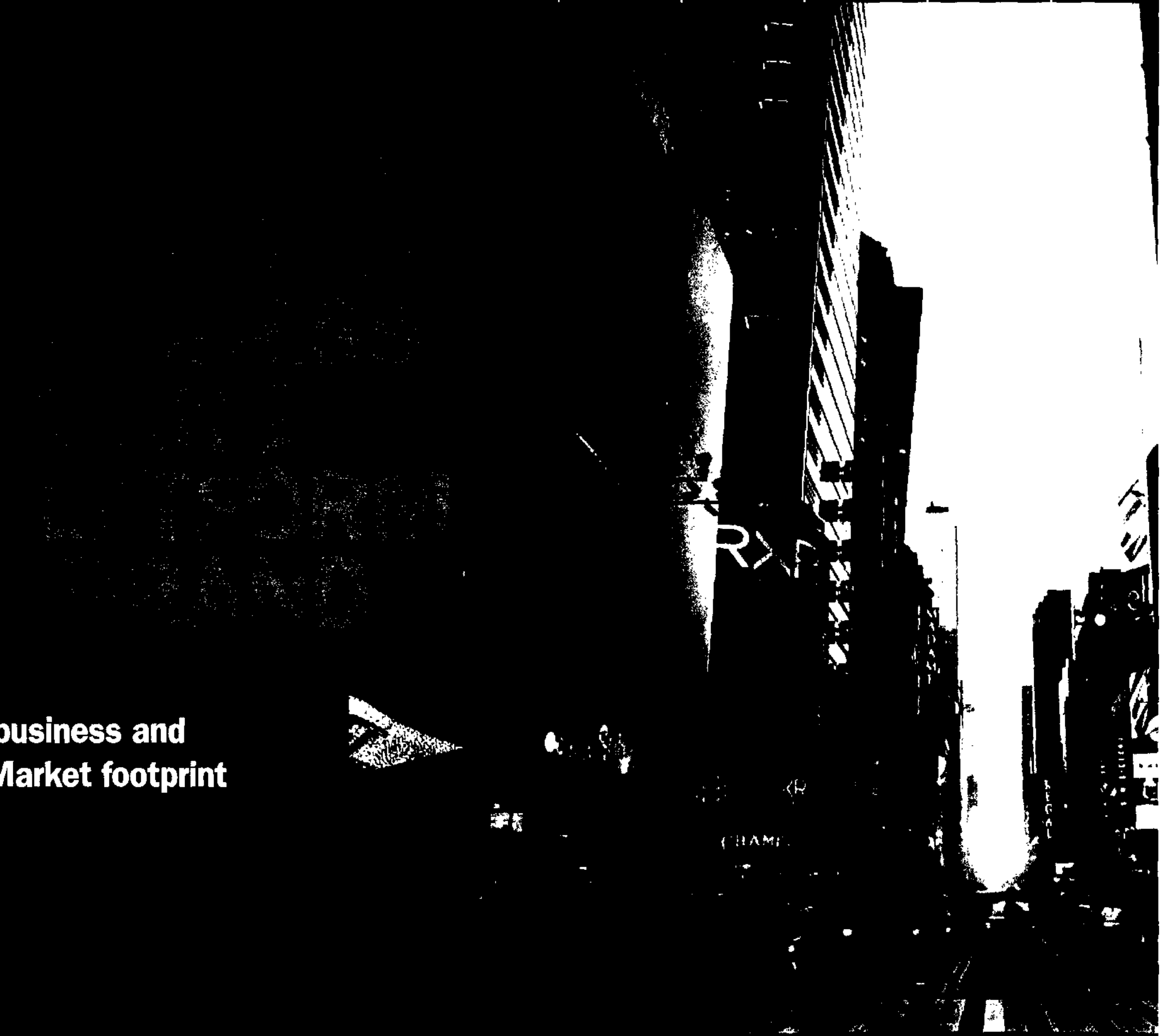
50+

An ambassador of the city and weaved into the fabric of urban cultures around the world. Time Out is a strong brand known for its expertise, authority and impact

Digital

We distribute our content through multiple platforms from web, mobile, social, video to email combined with "in real life" experiences via Live Events and Time Out Market

Transformation



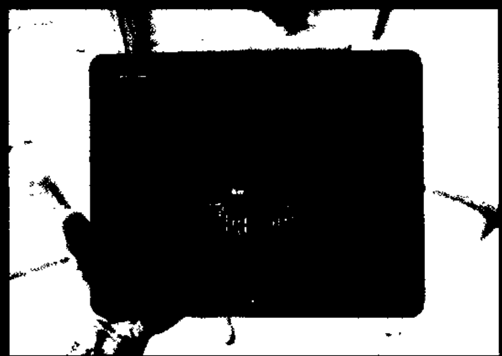
A digitally led Media business and an expanding global Market footprint

From London magazine to global expansion

- Distribution of Time Out content through London print magazine
- 1995 launch of first website and global expansion to New York
- Further international expansion through franchise partners and new Owned & Operated cities

Explosion of digital channels

- With consumers increasingly moving to digital channels, Time Out has focused on a digital-first strategy
- Investment to become a leading digital Media brand
- Digital multi-platform model including web, mobile, email, social media and video plus physical experiences



Expansion of Markets

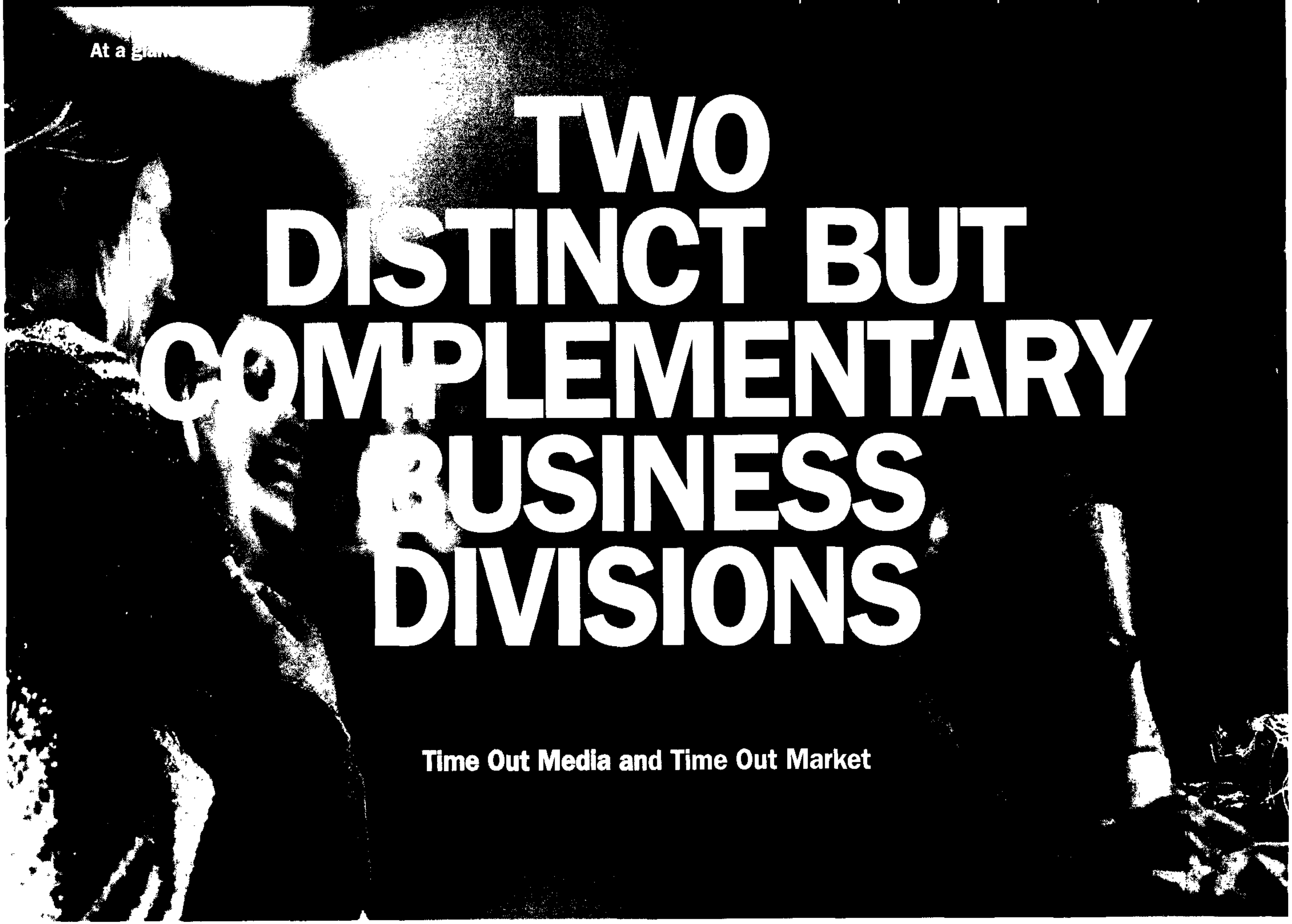
- Opening of flagship Time Out Market Lisbon (2014)
- Further four Owned & Operated Markets open in the US (2019)
- First Management Agreements: Montreal (2019) and Dubai (2021)
- Currently 7 open and 7 signed Markets with a strong pipeline of new openings under capex-free model in advanced negotiations

Global Market footprint & digital Media brand

- Asset-light Market model with significant recurring revenue base
- Growing audience driving multi-channel advertising solutions for global brand clients
- Robust, diverse B2C and B2B high-margin revenue base
- Clear strategy to profitable growth
- Strengthened leadership team to leverage post-pandemic recovery

LOW MARGIN **HIGH MARGIN**

At a g…



TWO DISTINCT BUT COMPLEMENTARY BUSINESS DIVISIONS

Time Out Media and Time Out Market

TIME OUT MEDIA

Time Out is the only global city-focused media brand – a highly recognised, respected and trusted household name.

Time Out's professional journalists curate and create high-quality content about the best of the city: the best food, drinks, culture, art, music, theatre, entertainment and travel – distributed through multiple platforms.

Following a successful print-only to digital-first transformation Time Out's platforms span web, mobile, emails, social media, video and Live Events.

Time Out monetises its global reach and desirable audience by offering bespoke 360-degree multi-channel advertising solutions to international, national and local brands and businesses.

→ See page 12

At a glance

TIME OUT MARKET

Time Out Market brings the best of the city together under one roof: the best chefs, drinks and cultural experiences based on Time Out's editorial curation.

It is the world's first editorially curated food and cultural market, bringing the Time Out brand to life with the best local food and drinks complemented by cultural activities – from cooking classes with top chefs to art from local talent and live entertainment. Time Out Market also offers new, innovative "in real life" opportunities for our advertising clients.

→ See page 20

Open: 5 Owned & Operated Markets

The Group's flagship Time Out Market Lisbon opened in 2014; following its success, four additional Owned & Operated Markets opened in 2019 in Miami, New York, Boston and Chicago.

In Owned & Operated Markets, Time Out is responsible for design, curation, brand and day-to-day management with revenue generated from a share of food turnover and bar sales.

Open: 2 Management Agreements

The first Management Agreement Market opened in 2019 in Montreal, followed in 2021 by Dubai.

Under a Management Agreement, Time Out partners with a real estate company that funds all capital and operational expenditure; Time Out receives a pre-development fee and, once the Market is trading, a share of revenue and profit (subject to a minimum guarantee).

New: 7 signed sites and more in the pipeline

Signed sites with expected opening dates between 2023 and 2025 include Porto (Owned & Operated) as well as Abu Dhabi, Prague, Cape Town, Osaka, Vancouver and Riyadh (Management Agreements) with continued interest from and high engagement with global real estate companies driving a growing pipeline.

The Company's focus on Management Agreements represents a growth engine for global expansion under a capex-free model with recurring revenue.

Time Out Media

A DIGITAL MULTI-PLATFORM MEDIA BRAND

Time Out's global team of local expert journalists creates content for digital channels where our audience is now, all day long: on the web and mobile, in their social feeds, in the videos they watch, and in their inbox. This combined with 'in real life' experiences via Live Events and Time Out Markets provides powerful solutions for advertising clients.

1

OUR CONTENT HAS IMPACT

Time Out's content inspires and enables people to explore and enjoy the best of the city.

Our content about the best culinary and cultural experiences in cities around the world is relevant and trusted around the world – we pride ourselves on championing the city, capturing its spirit, culture and social life. Today, a global team of local expert journalists is curating the best things to do in 333 cities in 59 countries – their voice has authority and influence, and is always inspiring, insightful, funny and surprising.

2

MULTI DIGI-PHYSICAL PLATFORMS

As we have seen the most exciting growth and engagement from digital channels – alongside Live Events and Time Out Market – we continue to evolve our digital strategy.

We now deliver our curation of the best of the city straight to millions of urbanites and we meet them where they take inspiration and make decisions: on digital platforms spanning web, mobile, email, video and social channels including Instagram, Facebook, YouTube, Twitter and TikTok. This combined with our Live Events and Time Out Markets enables us to offer our partners digi-physical opportunities that are unique in our sector.

Time Out Media
Our digital-first strategy

3

A SUITE OF NEW DIGITAL INITIATIVES

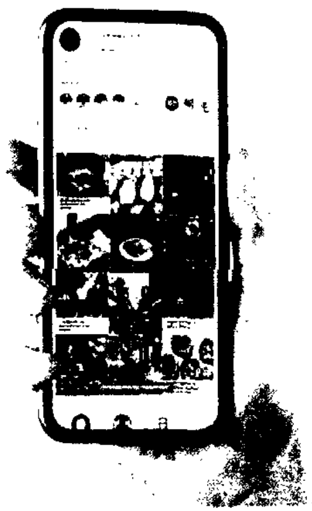
How Time Out brings its much-loved, trusted content to life digitally

"Out Here" – a more frequent newsletter

Sent on several days every week, this newsletter is all that anyone who loves London (both locals and visitors) really needs to guide them to the very best things to do and places to go. It comes beautifully designed and with a tone of voice that's every bit Time Out: funny, passionate, expert. "Out Here" creates a closer, more regular and more meaningful relationship between Time Out's content and its audience via their inboxes.

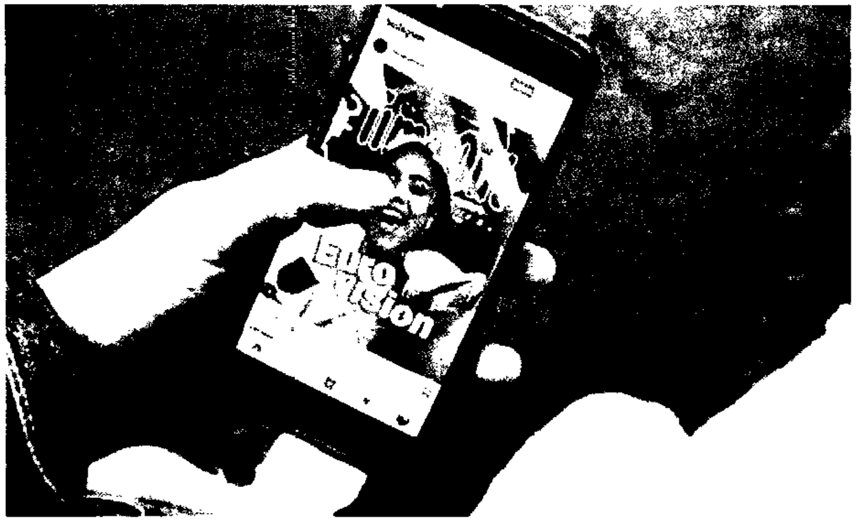
Enhanced social media strategy

In order to further increase engagement and reach, a more engaging publishing strategy was implemented across social media, including new formats and series plus the transition of popular print themes in innovative ways to social channels.



The launch of digital covers

The classic Time Out magazine cover lives on – on social media, in newsletters and online – as a multimedia moment bringing together the best of Time Out design, photography, text and video. The new digital covers are a window into Time Out's digital world, throwing a spotlight on what is exciting the Time Out team – maybe a band or an actor, maybe a hot new restaurant or the city's latest cultural trends.



New short

Mobile-optimised videos are increasingly the preferred media in which our audience engages with the world around them – and we are investing and innovating to continue to reach and grow this audience. In June 2022, a range of short-form video series launched to bring Time Out's expert curation of the city to life via lively videos for the website and social media such as Instagram and TikTok.

→ See page 37

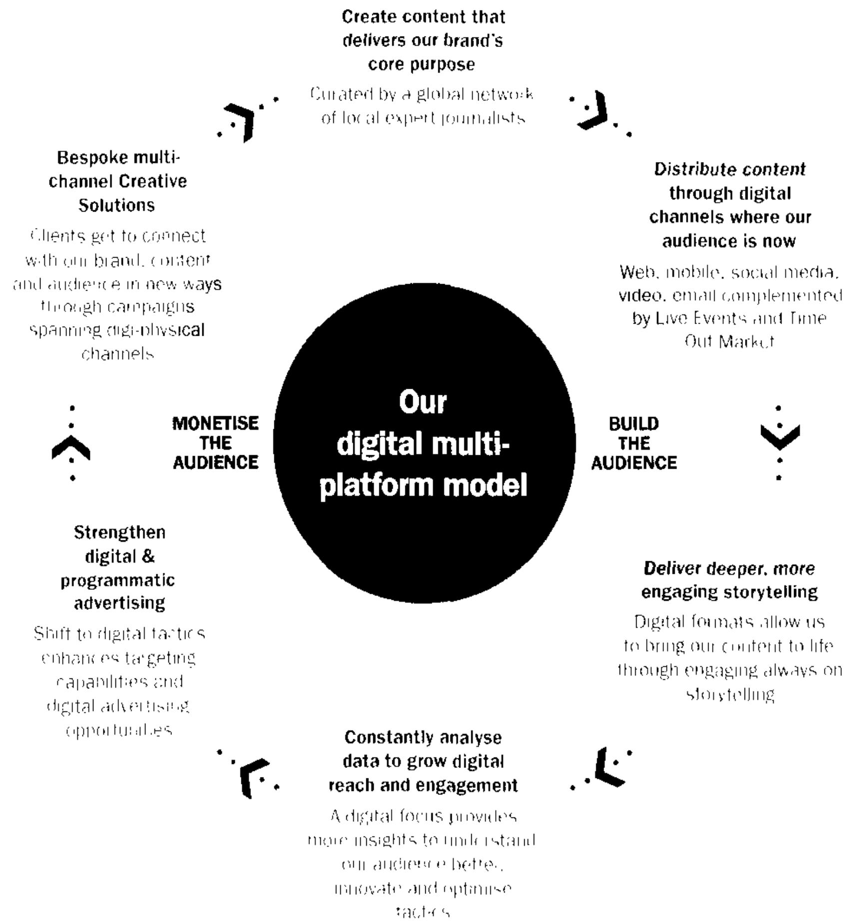
Time Out Media
Our digital-first strategy

4

OUR ADVERTISING SOLUTIONS

We generate revenue by providing brands and businesses the opportunity to connect with our iconic brand, unique positive content and highly desirable global audience – all this makes Time Out attractive for a variety of advertisers across many sectors.

The shift from print to digital platforms has enabled us to tap increasingly into the higher margin and growing digital advertising space, with social video being one of the fastest growing segments.



"Cities never stand still and never stop. So Time Out never stops – every day, we discover the extraordinary. That's why our digital-first strategy is about being always-on across digital channels which is aligned with city life as it is today: vibrant and dynamic – full of energy and people enjoying it like never before. We are where our audience is; we are in their lives and we put the best of the city in the palm of their hands."

Stacy Bettman
Time Out Media, President, North America & UK

Time Out Media
Our digital-first strategy

5

BENEFITS FOR OUR ADVERTISING CLIENTS

Time Out offers brands across a variety of sectors a credible and authentic route into the passions of its highly-engaged audience

Brand-safe environment

Time Out's brand and content provides a positive environment for clients to bring their brands to life.

Experience-hungry audience

Time Out's diverse audience skews higher income, active millennials with a high intention to go out and interest in a wide range of city-based offerings.

Engaging immersive storytelling

Tapping into Time Out's high-quality content. our partners can showcase their brand story and reach a highly responsive audience in less intrusive and more authentic ways.

Bespoke advertising solutions

Time Out creates custom solutions offering unique and powerful opportunities for clients to connect with our brand and content to bring their brand needs to life (see case study on page 19: "Creative Solutions campaigns for the world's leading brands").

360-degree multi channel campaigns

Time Out provides an impactful mix of digi-physical – digital and physical – channels including Time Out Market which provides unique advertising opportunities that no other brand can offer (see case study on page 19: "A synergistic approach for advertising clients").

We have created and delivered campaigns for a diverse client base

Time Out has a Creative Solutions team that drives large, bespoke multi-platform campaigns, supporting clients who wish to go above and beyond the standard advertising opportunities.

Food & Beverage	Travel & Transport
DIAGEO	Transport for London
Coca-Cola	California
BACARDÍ	Los Angeles
ABInBev	FREE NOW
GRUBHUB	

Technology	Media & Entertainment	Retail & Services
SAMSUNG	mastercard	Levi's
Google	verizon	IKEA

Strategy in action

Time Out Media & Time Out Market

By capitalising on the combined strengths of Time Out Media and Time Out Market, we have a unique position amongst our competitors to offer a mix of digital and real-life experiences to elevate our advertising offerings. This allows us to extend campaigns from URL to IRL by creating memorable and impactful in-person events that include the best food, drinks and live entertainment all under one roof. We continue to successfully sell high-revenue campaigns because of the distinctive synergy that exists between our two business divisions, enabling greater storytelling and strengthening the overall Time Out brand globally with advertisers and our audiences. Examples include an Oscars Watch Party at Time Out Market New York with Visit California and LA Tourism, alongside social, email and native digital promotion across Time Out. Planned in the 2022 financial year, and executed from July 2022, we created a 360-degree campaign for Maybelline, the world's #1 cosmetic brand, spanning a variety of Time Out's digital channels, social videos as well as Live Events at Time Out Market in New York, Chicago and Miami.

Time Out Market

THE BEST OF THE CITY UNDER ONE ROOF

In numbers: 7 Time Out Markets already open

(Owned & Operated Markets and Management [illegible])

232,000
Sq ft total space

2
[illegible]

4,500+
Seats

4
[illegible]

140+
World-class chefs

6
Shops

27
Bars

7
Art & cult[illegible]

OWNED & OPERATED MARKETS

In 2014, Time Out Lisbon's editorial team created Time Out Market Lisbon – the world's first food and cultural market based on editorial curation.

Deeply rooted in the heritage of Time Out, Time Out Market is a perfect brand extension as its "best of the city" curation is now also being brought to life in physical locations. Following the success in Lisbon, the Group has opened four Owned & Operated Markets in the US.

Under the Owned & Operated model, Time Out Market takes responsibility for the design, curation, branding and day-to-day operational management, with the Market generating revenue from a share of food turnover and bar sales.

Time Out Market

LISBON

OPENED 2014

Time Out Market Lisbon, the Group's flagship, was the first location to open. A once neglected building – a historic market hall – has been turned into a *hugely popular destination for* both locals and tourists and now has a global reputation as a must-visit place. Visitors get to explore *food from the city's award-winning* chefs and much-loved restaurateurs, enjoy drinks from eight bars and cafés, buy from five shops, attend cooking workshops in the Chef's Academy or events in the Time Out Studio, a 900-capacity entertainment venue.

32k Sq ft | **32** Restaurants | **8** Bars

NEW YORK

OPENED 2019

Time Out Market New York occupies two floors of the historic Empire Stores at 55 Water Street in *Dumbo, Brooklyn. The ground floor* hosts culinary concepts and two bars, and on the fifth floor there are additional chef-driven eateries, a bar, *a stage* for cultural experiences and an outdoor rooftop overlooking the East River, offering spectacular views of Manhattan's skyline, the *Brooklyn Bridge* and the Manhattan Bridge.

24k Sq ft | **21** Restaurants | **3** Bars

BOSTON

CHICAGO

OPENED 2019

Located at 916 W Fulton Market and spanning 50,000 sq ft across three floors, Time Out Market Chicago is the largest of the US sites. It is a big celebration of a city rich in culinary and cultural experiences. There is a communal dining area surrounded by the kitchens and an impressive bar on the ground floor. The first floor offers a demonstration and an event kitchen, a speakeasy and an entertainment platform with bleacher seating. The intimate rooftop bar Tony's is an ode to Time Out's founder Tony Elliott and offers amazing skyline views.

50k Sq ft **18** Restaurants **3** Bars

PORTO

Time Out Market

MANAGEMENT AGREEMENT MARKETS

Going forward, the Group will focus on Management Agreements with a significant pipeline of locations signed and further sites in advanced negotiations.

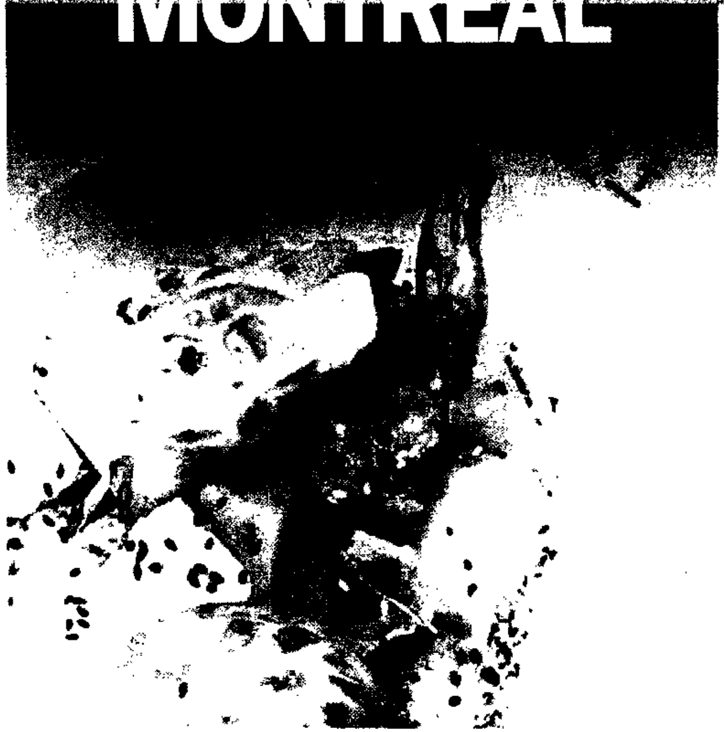
Management Agreements represent a growth opportunity to expand Time Out Market globally and grow the Group's recurring revenues without the need for further capital expenditure.

Under a Management Agreement, the partner funds all capital and operational expenditure and, in return, the Group receives a pre-development fee and, once the Market is trading, a share of revenue and profit (subject to a minimum guaranteed fee).

At a time when commercial landlords and real estate developers are seeking concepts that attract consumer footfall, Time Out Market has proven its regenerative power and ability to transform spaces that become the anchor in prime locations. We continue to see significant interest, demonstrating the brand's strength and appeal for the world's leading real estate companies.

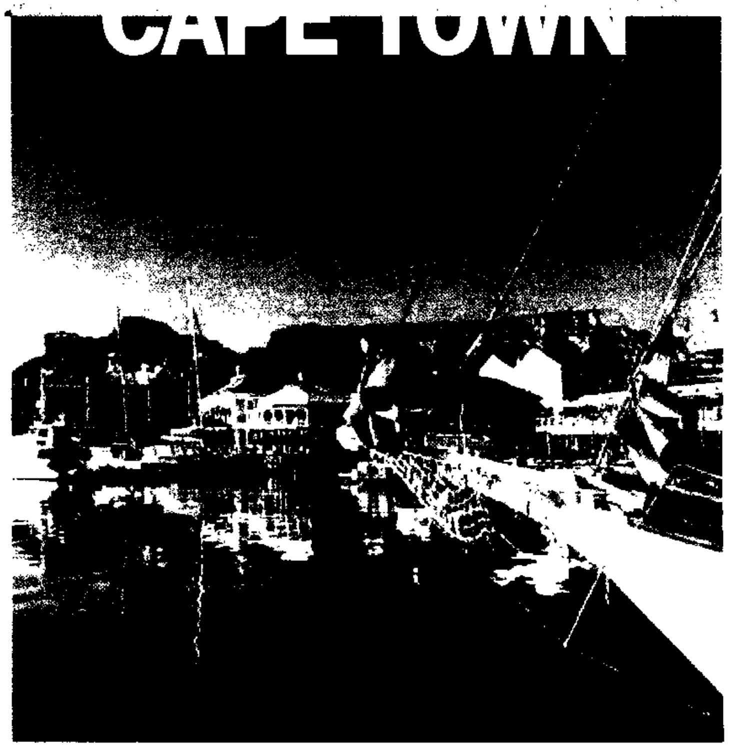
40k
17
5

MONTREAL



DUBAI

CAPE TOWN



Time Out Market

VANCOUVER

SET TO OPEN 2024

Time Out Market Vancouver will be located at Oakridge Park, Vancouver's designated new town centre being developed in partnership by QuadReal Property Group and Westbank, the real estate companies this Management Agreement has been signed with. Currently under construction, Oakridge Park will be a highly sustainable, mixed-use cultural hub with residential towers, workspace, a public park, a 1m sq ft shopping centre and more.

69k Sq ft | **17** Restaurants | **3** Bars

ABU DHABI

SET TO OPEN 2025

Time Out Market Abu Dhabi will be the Group's second location in the UAE. Working together with leading real estate developer Aldar Properties, Time Out Market will open on Abu Dhabi's Saadiyat Island, a prime destination that attracts millions of locals and visitors each year. The Market will feature 15 of Abu Dhabi's best restaurateurs, three bars and a cultural and entertainment space.

35k Sq ft | **15** Restaurants | **3** Bars

PRAGUE

SET TO OPEN 2025

Time Out Market Osaka will be located in the Umekita Second Project – a large-scale urban development in the heart of Osaka, which aims to create a next-generation town centred on a park that will be unparalleled in the world. Osaka is well known as a city of "kuidaore" ("too much good food to eat") in Japan. Time Out Market Osaka is set to launch in 2025, when the city will host the World Expo. It will open in partnership with real estate developer Hankyu Hanshin Properties Corporation.

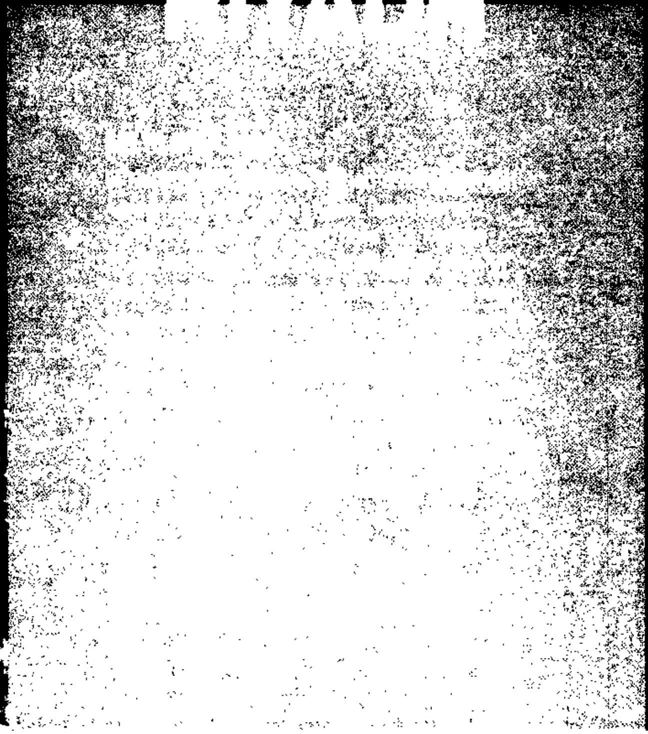
31k Sq ft

15 Restaurants

2 Bars

OSAKA

RIYADH



"Our Time Out Markets remain as popular as ever. Since we reopened our Markets, consumer footfall has steadily returned, we have restored the best of the city curation with top culinary talents and cultural activations, and leading real estate companies want to work with Time Out Market to transform their spaces. The appeal of our concept is strong and this has helped us create the world's leading food hall brand."

Sandy Hayek
Time Out Market, Co-CEO (Operations)

Our global audience

We attract a global, urban audience of experience seekers

Experience-loving

95% take action after engaging with Time Out

Attitude, not age

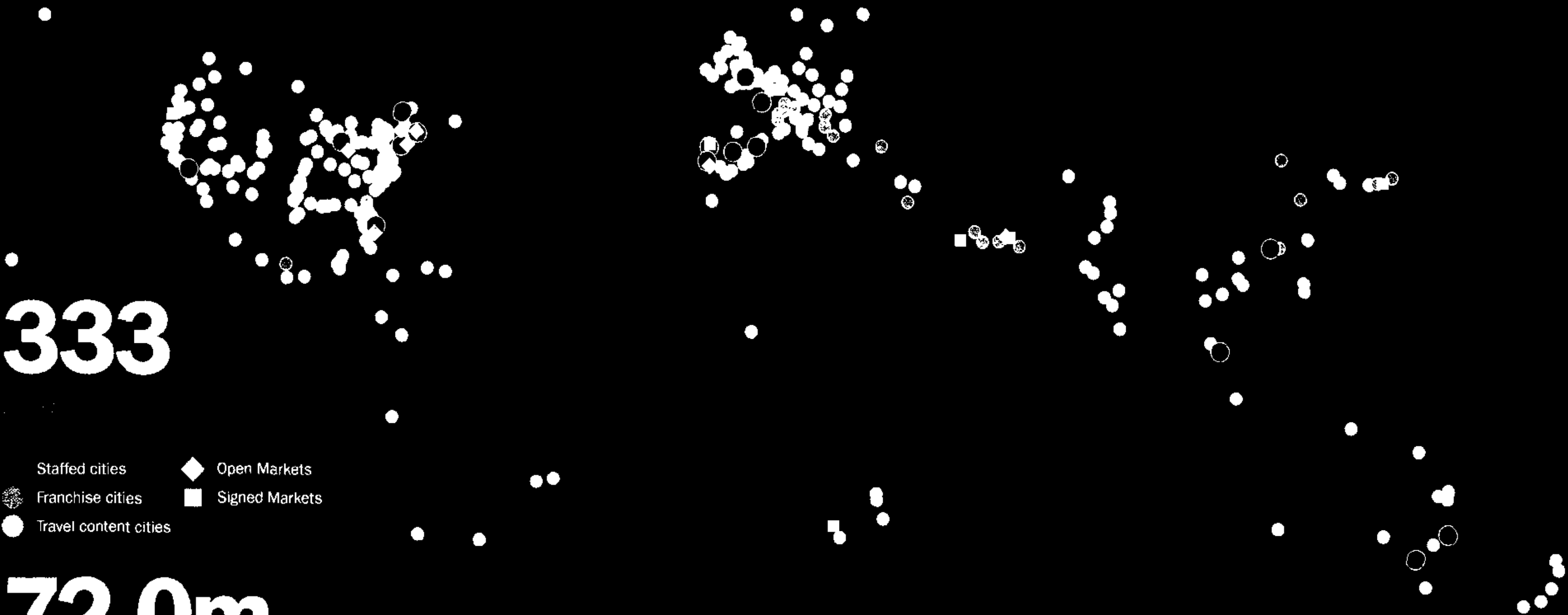
Centred on but not exclusively 21–45, skewing millennial

Diverse

An audience as diverse as the cities which Time Out is in

Active

Time Out-ers are curious, discerning and culturally aware – they go out a lot



333

Staffed cities
Franchise cities
Travel content cities
Open Markets
Signed Markets

72.0m

25.4m

8.9m

30.2m

Facebook unique monthly users

6.7m

Chairman's letter

"I am pleased to report that 2022 has seen the Company return to its pre-pandemic trajectory, but in an even stronger position."

In the 2019 annual report I wrote of our success in uniting our large, global, ever-growing digital audience and our handpicked city highlights *in a physical platform.*

A physical platform which grew to 185,000 sq ft that year with the opening of five Time Out Market sites — in addition to our flagship in Lisbon — and attracting in the process 5.5m visitors. We were then interrupted.

I am pleased to report that 2022 has seen the Company return to its pre pandemic trajectory, but in an even stronger position. Led by a new senior leadership team the Company has restored and enhanced the existing Market portfolio, signed four new Markets between May and November 2022, re-established a significant pipeline of Market opportunities and a digital-first Media division has returned to profitability. All this built on a foundation of relevant and engaging content that has seen audience numbers reach a record level across an increasing range of digital channels.

Results

The shadow of the pandemic looms large over the full year financial performance to June 2022, with repeated lockdowns and trading restrictions hampering all areas of the Company. In the short period since these restrictions have been lifted, we have seen very encouraging progress, reflected in Group gross revenue growing 62% to £72.9m compared to the prior 18 months and adjusted EBITDA moving into positive territory. The biggest contributor to both was the reopening of the seven existing Markets, which all saw an encouraging return of footfall and sales. In the summer months we have seen record trading days even at a mature site like Lisbon. The focus within Media has been completing the digital transition and generating profits on a stable cost base. This it achieved with the division profitable in the period and gross margins remaining consistent at [illegible]. Global brand audience growth of 19[illegible] to a monthly average of over 72 million is testament to the power and relevance of this leading global brand. The appeal of this valuable, young, active, mobile audience was evident from the c.20% growth in digital advertising in the year compared to the prior 18 month period, despite wider market trends.

We were pleased to arrange new debt funding post period end. A €35m four-year facility replaces the Company's existing debt and secures the balance sheet. Whilst now cash-generative, the Company is expected to be self-funding from here onwards.

The ball is rolling again, with newly signed sites in Osaka, Cape Town, Vancouver and Riyadh, taking the portfolio of existing and signed sites to 11. A footprint that will cover over 300,000 sq ft, offer over 11,000 seats and provide kitchens to 2[illegible] of our host cities' best chefs. Eight of these sites are Management Agreements, in effect a franchise model, which will contribute guaranteed minimum fees per site.

With increased resources and re-engaging real estate developers, the pipeline of opportunities has quickly grown. Bolstered by the success of Management Agreement Markets in Montreal and Dubai, three heads of terms have been signed and paid for post period end and a further ten sites are in early negotiation.

Digital media revenue continued to grow, recovering to pre pandemic levels, with the majority of the 333 cities in which we publish content being fully digital. We look forward to replicating our recent success in the US, where the team has focused on leveraging its digital channels and physical sites to create big ticket, innovative, multi-territory and multi-platform creative solutions for major global brands.

This progress [illegible] Time Out is built on our expert journalists, [illegible] authoritative and engaging insights and advice on the best of city life. Our approach will never change, however, the form the content takes, the topics covered and the channels used will continue to adapt to the [illegible] nature of our audience. Few could imagine that a Company born out of a paper-based list of things to do in London in the 1960s could now deliver [illegible] mobile [illegible] of what to do [illegible] the virtual world.

On behalf of our Board and our shareholders I would like to thank everyone at Time Out Group for their hard work, dedication and passion for our brand and business. We appreciate the support you have given CEO Chris Ohlund during his first year at the helm, in which he has focused the Group, transformed the senior leadership team and set Time Out on course for an ambitious future. And whilst we recognise that you have incredibly uncertain geopolitical and economic waters to navigate, we are optimistic that a combination of a large global digital audience, a unique Market platform and future planned innovations will create value for shareholders in 2023 and beyond.

Peter Dubens
Non Executive Chairman

Q&A with the Group CEO

Chris Ohlund joined Time Out Group in July 2021 as Executive Vice Chairman and was appointed Group CEO in October 2021.

What is the key to performance within the existing Markets?

There are many ingredients that make up the secret sauce of our seven existing Markets. Time Out Market is a food and cultural market bringing the best of the city together under one roof. At the heart of everything is the curation of a city's best culinary talents, complemented by a compelling bar menu. To further differentiate and drive footfall, each Market has an exciting programme of cultural activations and entertainment.

Visitors coming to our Markets include both locals and tourists – so the easing of various restrictions allowing people to travel, go out and return to offices has been key. It is great to see our guests once again in our communal environment, connecting with other visitors while enjoying our culinary and cultural experiences.

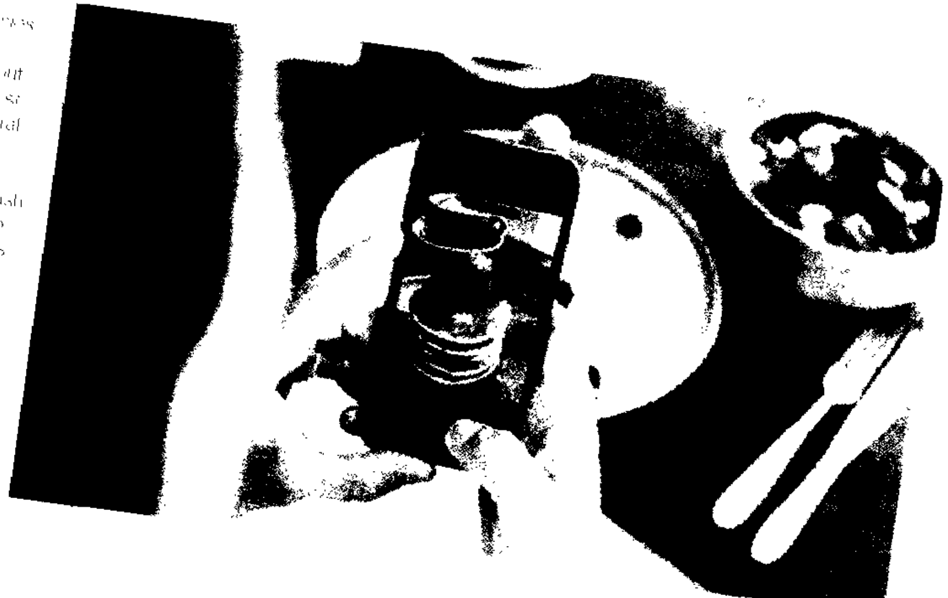
Finally – we know that our Time Out Market concept is very successful but we are always exploring how we can evolve. Just recently, we launched an innovative fine-dining concept: Valhalla – by award-winning Chef Stephen Gillanders – is the first–ever standalone restaurant located within Time Out Market Chicago. At the core of what we do is making fine-dining accessible – and now Valhalla takes this to a new level and further positions Time Out Market as an innovator in the industry.

We have reopened all seven Markets with an excellent curation of the best of the city and there are ongoing efforts to keep our offering fresh and build back the number of concessions. In the second half of the year alone, we have signed around 30 new concessions. This roster of new talent complements the already impressive culinary mix which includes chefs whose restaurants have been awarded with Michelin stars (Chef Vincent Farges in Lisbon), James Beard Award winners (Chef Michelle Bernstein who introduced Little Liberty in Miami) and Instagram favourites (Lobos SnakeBar in Chicago).

In total, across all Time Out Markets there are currently two chefs with Michelin stars in their own restaurants (one of them – Henrique Sá Pessoa in Lisbon – has two Michelin stars), four chefs featured as Bib Gourmands and four James Beard award winners as well as three semi-finalists – this is testament to the high calibre of culinary talent Time Out Market continues to attract.

Global hospitality has seen a strong rebound post-Covid and food halls benefit from increasing popularity with their variety of cuisines and shared experiences. Time Out Market has been spearheading this trend – it is considered to be one of the world's leading food and cultural markets which appeals to both commercial landlords and real estate developers. They are seeking standout concepts that attract footfall and Time Out Market has been able to create a desirable audience and transform spaces.

Management Agreements with landlords and real estate companies, the model we focus on going forward, are a growth engine to expand Time Out Market globally, driving recurring revenues without the need for further capital expenditure. There is considerable interest as well as a significant pipeline of new signed locations and several sites in advanced negotiations. To ensure we cover our costs in early stages of Management Agreement discussions, we have introduced the signing of heads of terms which provide us with cash benefits early on. We have also evolved our systematic approach to sourcing new opportunities to further accelerate the rate of signings. As a result, we expect to convert a number of heads of terms into Management Agreements in the year ahead and beyond.



Time Out Market brings the best of the city together under one roof – based on Time Out's editorial curation. So at the heart of our Market division is the expertise and authority of our Media division which means our editorial teams are involved in the curation processes for our Markets.

Furthermore, we feature Time Out content on big screens across our Markets – this is an area where we believe we can do more and we are working on further integrating our content in a way that adds value for our guests and positions Time Out Market as a physical extension of Time Out Media.

An area where we have made progress is leveraging synergies between Time Out Media and Time Out Market for our advertising clients. The bespoke, 360-degree campaigns we deliver for them increasingly include – alongside digital tactics – experiences in our Markets which offers unique and powerful opportunities for our partners.

Q&A with the Group CEO

What has been the key to recent profitable growth in the US media division?

Our trusted iconic brand, our positive unique content and our highly desirable audience are significant draws for advertisers globally. What has been key to drive profitable growth in the US in particular is a shift to higher-margin digital advertising leading to EBITDA improvements – behind this success is a clear strategy built on several pillars:

We build strong relationships with both major advertising and media agencies as well as directly with international blue chip brands across a variety of sectors. We are in regular contact with our clients, host events for them and meet in our Time Out Markets to drive deeper immersion into our brand. This has helped us develop a diverse client base featuring some of the world's biggest brands that keep coming back, driving repeat revenue.

This thoughtful approach is also reflected in the bespoke multiplatform advertising solutions we offer. Our expansion across digital platforms has enabled us to respond to increasing demand in that space and while our clients have access to our suite of digital channels, "in real life" often is part of our campaigns too through Live Events or activations in our Time Out Markets – this is unique and something that differentiates us.

Finally, we have worked hard to prepare for a post pandemic world. We understood that brands would want to try new things. For example, we anticipated that cosmetic brands would want to drive awareness once people go out again – this is a sector we hadn't worked with previously so we created dedicated pitches for potential clients, opening up a new sector for us.

54 incredible years after our late founder Tony Elliott started it, June 2022 saw our last Time Out London print magazine – our content team ensured that it was a bold statement that Time Out's mission continues beyond print, on digital channels.

The decision to close print and focus on digital came as we continue to see the most exciting growth from digital channels, Live Events and Time Out Market – areas that we focus our efforts on to further drive profitable growth. In the US, a digital focus has delivered great success so the shift to a digital first strategy was already well under way – this was not a decision driven by crisis, the pandemic only served to accelerate it. We asked ourselves what we want to look like in two, five and ten years' time and where the Millennial and Gen Z audiences are getting inspiration for what to do in cities – of course it is mostly through digital channels.

So while our last regular issue of Time Out London magazine marked the end of one chapter, it also marked the beginning of the next as we continue to be an essential guide across online, video and social media. Many more people engage with our digital channels than they did through the magazine – which was still well loved and successful – and this enables us to tap more into the growing digital advertising space. To drive the business forward, you sometimes have to be ready to let go of elements of your portfolio that no longer feel like the future.

The world has changed, cities have changed, people have changed and Time Out has changed too. We are proud that one thing hasn't changed throughout the pandemic and that is our large global audience. Now people go out again and they engage with our content through a variety of digital channels, often social media, while out and about. That's why we believe our mission has never been more relevant as there is so much happening in cities around the world and we are here to capture it all. That's why digital channels are our perfect home – they allow us to share the best of the city in a way print wouldn't. I believe that the way Time Out has transformed through huge shifts since 1968 is a fantastic story of how a brand can stay true to its heritage while constantly reinventing itself to continue to engage with and attract its audience.

What [illegible] within Time Out Media in the [illegible] financial year?

We continue our transformation as a digital Media brand and as such we will focus on a number of areas. Firstly, we will continue to grow our audience and the shift from print to digital allows us to expand our footprint. To attract a valuable audience, our expert journalists create content for digital channels where this audience is now, all day long. More than ever before we meet them where they take inspiration and make decisions: in their social feed, online, in their inbox, in the videos they watch. In print, you can't track what your readers engage with as much as you can via digital so going forward, we will have more data available which will enable us to understand our audience better and match their needs.

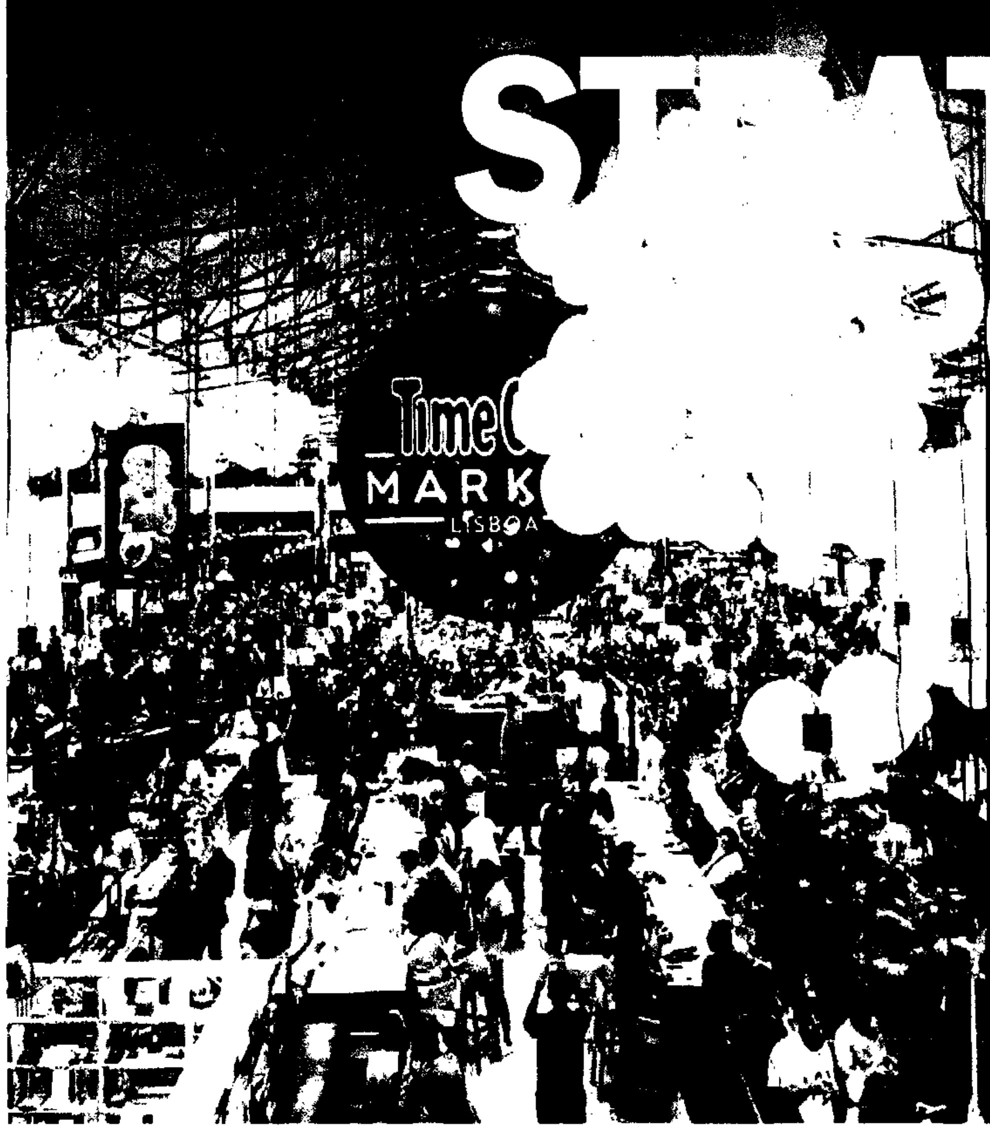
Another key area is to add value for advertising clients. Our digital first model offers exciting advertising propositions and enhanced targeting capabilities not available before to them to connect with our brand, content and audience in new ways.

Finally, we have launched a variety of new [illegible] and [illegible] continue to invest in new channels. Across social media, TikTok has been our fastest growing channel which offers new opportunities for our advertising clients. In June, for example we delivered our first commercial TikTok partnership for FREE NOW, the Mobility Super App, which is a repeat client.

I am pleased that – despite the impact of the pandemic on the financial year – we have reached a turning point for the Group in delivering a positive adjusted EBITDA. This demonstrates a strong recovery and a return to our pre pandemic trajectory as well as the continued relevance and strength of our brand – we are emerging from this period stronger than ever.

We have invested in our strategy with measures in place to drive profitable growth and have made significant progress across both of our business divisions. I want to take this opportunity to thank everyone at Time Out Group around the world for their hard work and dedication during a time of significant disruption.

> **"The way Time Out has transformed through huge shifts since 1968 is a great story of how a brand can stay true to its heritage while constantly reinventing itself to continue to engage with and attract its audience."**



STRATEGIC REPORT

Strategy in action

As we continue to evolve our digital-first strategy, we are working on a variety of initiatives to cement our positioning as the essential guide to the best of the city across digital channels, including social media and video.

The goal is to be where our customers are so we are *constantly innovating to reach, engage and increase our* audience across the right channels with the right content that delivers our brand's core purpose. So today, Time Out's expert journalists more than ever create content for digital channels which our audience increasingly engages with.

A key part of our digital-first strategy is a focus on video designed for mobile consumption and therefore filmed in portrait mode. To that end, we have made a leap forward in *developing our video storytelling with the launch of several* new short-form video series designed to bring Time Out's inspiring expert curation of the city to life – one moving image at a time – for both our on-site video player and social channels (in particular for Instagram and TikTok). In the period, we had a total of almost 8 million video views across our global Time Out Instagram channels.

Our new video series includes Behind the Scenes, 48 Hours In..., Hype Dish and Secrets of Your City. As part of the latter we created videos about the secret story of a Brooklyn brownstone building and the Seven Noses art installation in Soho, London – both were the most successful Instagram videos in the period with a total of 1.2 million views. In addition, we have also increased our output of one-off short videos to feature new events, festivals and restaurants. We plan to create more videos and mobile-optimised formats as these are tactics which our audience engages with more and more, and which match the energy and vibrancy of city life today.

Our business model

1

Our competitive advantage

An iconic brand & trusted authority since 1968

333 cities | 59 countries | 14 languages

At the heart of everything we do: *a global team of local* expert journalists curate, write and create content about the best of the city.

In a world with too much information, *we discover and* share the extraordinary, new and unique.

This is now more important than ever as people can go out and explore cities *again.*

Multiple platforms

The best of the city content and experiences distributed via multiple channels

URL & IRL

Our content and experiences are distributed *across digital and physical* channels.

We are where our *audience* is, all day long.

We are in their lives whether that's in the palm of their hand, at the bar or at a communal dining table.

A diversified business

Curation of the best of the city via web, mobile, email, social, video and live events.

MARKET

Curation of the city's best food, drinks and culture – all under one roof

Reaching a large & engaged global audience

We attract

Consumers

Advertising and brand partners

Global, national and local businesses

Cultural institutions

Consumers

A city's best chefs and local talent

Landlords and real estate developers

Our activities

Creative Solutions

Digital advertising

Live Events

Franchises

Local Marketing Solutions

Ecommerce, Affiliates and Offers

Monetising this reach and traffic

Owned & Operated Markets

Management Agreement Markets

What it drives

Brand growth

High-margin B2C & B2B revenues

Sustainable returns

Continued profitable growth

2

OUR BUSINESS MODEL ENSURES THAT WE MAXIMISE VALUE FOR OUR STAKEHOLDERS

With city life back and our business recovering, our global Market footprint will expand to drive recurring revenues while our Media revenues will increase – as a result, Time Out Group's valuation and share price will grow

We continue to create a diverse and inclusive workplace and attract outstanding talent who take pride in working for our iconic brand

→ See page 52

As an ambassador of the city, Time Out celebrates and supports its culture and local businesses; in addition, each Time Out Market means a significant contribution to a local economy, employment and opportunities for a variety of talents in a city

We help people – both locals and visitors – go out better in cities around the world

Time Out Market has the ability to transform a space into a premium environment that becomes the anchor of a property, driving consumer footfall

Time Out Market offers chefs, restaurateurs and local talent a platform to drive revenue and reach a new audience within a cost-effective structure

We provide our clients with exciting, bespoke *solutions to connect with our content and audience* in new ways within a positive brand environment

→ See page 12

Strategy update

DELIVERING AGAINST OUR STRATEGY

Significant progress and consistent delivery against our strategy to drive profitable growth

TIME OUT MARKET

Progress In The Year

Grow existing Market business to deliver continued revenue and profitability

- All seven existing Time Out Markets have successfully reopened, driving significant revenue growth
- We continue to attract the cities' best chefs and restaurateurs to join our Markets with around 30 new concessions signed in the second half of the period alone, further strengthening our "best of the city" positioning with an excellent culinary curation restored
- Several Time Out Market chefs with Michelin stars, James Beard awards and Bib Gourmands in their own local restaurants which is testament to the high calibre of concessions we continue to attract
- All Markets have a regular programme of cultural activations and entertainment, complementing the culinary offering
- Synergies delivered between Time Out Market and Time Out Media through in-Market Creative Solutions campaigns (for example the Oscars Watch Party at Time Out Market New York as part of a campaign for Visit California and LA Tourism)

Accelerate global expansion through new Management Agreements to drive increased recurring revenue without the need for further capital expenditure

- Time Out Market Osaka Management Agreement signed in May 2022 with a planned 2025 opening
- Management Agreements signed post period end: Cape Town signed in October 2022 with a planned 2023 opening; Vancouver singed in November 2022 with a planned 2024 opening; Riyadh signed in November 2022 with a planned 2027 opening
- Significant global pipeline of further Management Agreements in advanced negotiations
- Increased landlords engagement who wish to introduce our leading concept in cities around the world as an anchor in prime locations to drive consumer footfall
- Investment in the central infrastructure to further strengthen the team in order to capitalise the opportunities and the potential of the pipeline
- Use of relationships with global real estate partners to provide a more systematic approach to sourcing opportunities for new Markets and further accelerate the rate of signing Management Agreements

Strategy update

TIME OUT MEDIA

Progress In The Year

Grow higher-margin digital and multi-channel big ticket campaigns

- Shift from a print to a digital multi-platform strategy to increasingly tap into the higher-margin and growing digital advertising space
- Creative Solutions attracting global brand partnerships, delivering highly visible and engaging branded moments spanning our 360-degree platform with a higher digital component
- Campaigns delivered for major advertising partners including Diageo, Samsung, Transport for London, FreeNow, Mastercard and more – with a roster of returning clients secured
- Strong client relationships across direct, agency and programmatic partners
- Media Sales teams upskilled with digital capabilities
- Leverage the combination of digital advertising with Live Events and opportunities for activations within Time Out Markets to provide a unique, differentiated offering for advertising clients
- Optimised performance of international franchise programme
- Investment in the teams focusing on our Affiliates and Offers business as our audiences look for engaging but economical ways to go out

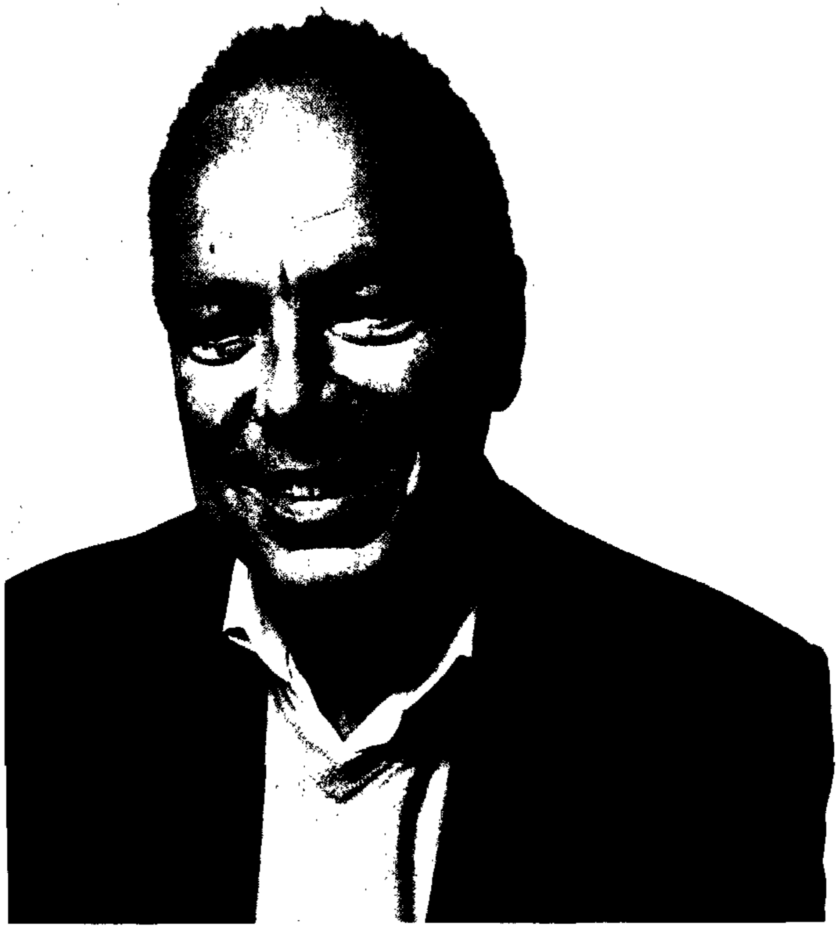
Deliver world-class content about the best of the city to help people go out better

- Content published on 333 cities in 59 countries
- Our professionally curated content is once again back to a focus on the best things to do in cities around the world, following a successful, award-winning pivot to align content with homebound audiences during the pandemic ("Time In")
- Continued investment in developing our video storytelling capabilities and increasing the volume of video content across all channels through the launch of several short-form video series designed for both on-site video player and social media for mobile consumption
- Across key cities, a number of Time Out editors have – thanks to their authority – regular broadcast appearances to present the best things to do, driving brand visibility and awareness

Grow our global audience across a variety of channels

- Global brand audience has continued to grow by 19% to 72m which is testament to the relevance and authority of our content
- Digital audience growth achieved, for example through video for rapidly growing social media platforms such as TikTok and Instagram Reels as well as via partnerships with leading media and content brands such as Apple News
- Significant viewing numbers, for example through our partnership with Apple News for content campaigns such as World's Coolest Neighbourhoods and Best Cities Right Now
- Featuring Time Out Market across global Time Out channels to drive awareness and footfall for Time Out Market
- Extensive PR exposure and earned media for the brand through a variety of activities and campaigns for both Time Out Media and Time Out Market

Chief Executive's review



"We are pleased to have reached a turning point for the Group in delivering positive Group Adjusted EBITDA, despite the impact of the pandemic during the financial year. This marks a return to our pre-pandemic trajectory and demonstrates that we are now in an even stronger position for future growth. I want to thank everyone at Time Out Group for their hard work and dedication to achieve this milestone — even more so as we have achieved it despite significant disruption.

We have invested in our strategy with ambitious measures in place to drive profitable growth and have made significant progress across both of our business divisions. Time Out Media's content that focuses on the best of the city has helped millions go out once again, attracting a growing digital audience and key brand partners advertising with us. Our seven existing Time Out Markets have seen footfall and sales return, with record days exceeding pre-pandemic levels. In addition, we have a strong pipeline of seven locations set to open between 2023 and 2027, six of which are Management Agreements which have associated contracted minimum levels of revenues secured for several years. Interest from landlords in our Markets proposition has never been stronger as they seek to drive footfall to increase the value of their property. We are in advanced negotiations with real estate developers around the globe who wish to make Time Out Market the anchor of their properties as they consider our concept to be the world's leading food and cultural market."

Chris Ohlund, Group Chief Executive

Group overview

The financial year has seen the Group return to its pre-pandemic trajectory, starting with the gradual reopening of hospitality in most parts of the world and a transition to something approaching normality in our trading environments. All our Markets re-opened with increasing footfall and revenue, and our Media business experienced a marked recovery in digital advertising. The shadow of Covid-19 stalled this momentum with further disruption as the rapid spread of the Omicron variant in the winter months resulted in new restrictions and another dent in consumer activity. However, the key spring and summer months saw a period of encouraging progress and recovery.

The Group's net revenue increased by 47% to £[illegible]m (2021 18m: £37.8m), albeit from a comparative period that was severely impacted by Covid-19. Gross margin was maintained at 80% despite temporarily resuming an element of our UK print products, which ceased in June 2022. Operating expenses continue to be monitored to ensure optimal Market profitability. These combined to produce an improvement in the Divisional Adjusted EBITDA of £3.9m (2021 18m: £15.9m Adjusted EBITDA loss). Corporate costs increased to £2.7m against a comparative (2021 18m: £1.6m) that benefitted from temporary Covid-19 related cost savings. This resulted — for the first time since becoming a listed company in 2016 — in a positive Group Adjusted EBITDA of £1.2m (2021 18m: £17.6m Group Adjusted EBITDA loss).

Time Out Market

Time Out Market net revenue increased materially to £28.[illegible]m (2021 18m: £1[illegible].2m) and generated Adjusted EBITDA of £2.2m (2021 18m: £8.4m Adjusted EBITDA loss) as the hospitality sector emerged from the severe restrictions experienced for the majority of the comparative period, despite some restrictions still in place in the first few months of the financial year. The easing of international travel restrictions has seen tourists return to the cities in which we operate, and people going out once again as well as returning to offices, have all helped drive this revenue growth and a return to steady trading. Operating expenses continue to be monitored to ensure optimal Market profitability. Market central costs have increased as we further strengthened the Time Out Market team facilitating both growth in our existing Markets and to drive our global expansion.

Sandy Havek — previously Time Out Market Dubai General Manager — was promoted in May to Time Out Market Co-CEO Operations with a focus on day-to-day management across our existing locations. Working alongside Sandy is Time Out Market Co-CEO Development Jay Coldren, who focuses on continued global expansion. He brings a strong background in development and expansion as well as more than 30 years of hospitality experience spanning restaurants, boutique hotels and gourmet retail. Until 30 September 2022, this role was held by Didier Souillat who left the business to explore new opportunities.

Time Out Market is a food and cultural market that brings the best of the city under one roof. It offers a curated mix of a city's best chefs and as we have reopened our Markets, we have restored exceptional chef line-ups. In the second half of the period alone, around 30 new concessions signed across all Markets including James Beard award-winning Chef Michelle Bernstein who brought Little Liberty to Time Out Market Miami; Luella's Southern Kitchen by Chef Darnell Reed (a James Beard semifinalist) at Time Out Market Chicago; and Time Out Market Lisbon welcomed Chef Vincent Farges — one of the city's top chefs with a Michelin star in his own local restaurant.

Chief Executive's review continued

Group overview

Financial summary

	12 months to 30 June 2022 £'000	18 months to 30 June 2021 £'000
Market	[illegible]	*12,233*
Media	[illegible]	*25,570*
Group net revenue[1]	**55,403**	**37,803**
Gross profit	**44,583**	**30,170**
Gross margin %[2]	[illegible]	*80%*
Divisional Adjusted operating expenses[3]	(40,654)	**(46,116)**
Divisional Adjusted EBITDA[3]	3,929	**(15,946)**
Market	[illegible]	*(8,418)*
Media	[illegible]	*(7,528)*
Corporate costs	[illegible]	(1,622)
Group Adjusted EBITDA[3]	**1,219**	**(17,568)**

1 Net revenue is calculated as gross revenue less the concessionaires' share of revenue. See note 4 of the Financial Statements.
2 Gross margin calculated as gross profit as a percentage of net revenue
3 Adjusted measures are stated before interest, taxation, depreciation, amortisation, share based payments, exceptional items and profit/(loss) on the disposal of fixed assets. These are APMs that management use to aid understanding of the underlying business performance. See note 4 of the Financial Statements for reconciliation to statutory numbers.

Time Out Market trading overview

	12 months ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Owned Operations	[illegible]	10,112
Management Fees	[illegible]	2,121
Net Revenue	**28,924**	**12,233**
Gross profit	[illegible]	10,272
Gross margin %	[illegible]	*84%*
Adjusted Operating expenditure (trading)[2]	[illegible]	(14,323)
Trading EBITDA[1]	**6,761**	**(4,051)**
Market central costs	[illegible]	(4,367)
Pre opening costs	[illegible]	-
Adjusted EBITDA[2]	**2,225**	**(8,418)**

1 Trading EBITDA represents the Adjusted EBITDA from owned and operated markets post opening, management agreement fees, and the development fees relating to management agreements. It is presented before pre-opening costs of new markets and other central costs of the Market business
2 Adjusted measures are stated before interest, taxation, depreciation, amortisation, share based payments, exceptional items and profit/(loss) on the disposal of fixed assets. These are APMs that management use to aid understanding of the underlying business performance. See note 4 of the Financial Statements for reconciliation to statutory numbers

"We have invested in our strategy with ambitious measures in place to drive profitable growth and have made significant progress across both of our business divisions."

Time Out Market not only offers culinary but also cultural experiences, which is a key differentiator and helps drive footfall as well as media attention. In the period, numerous activations took place from local live bands and DJs to comedy nights. Other cultural highlights included a giant mural, paying tribute to late designer Virgil Abloh, at Time Out Market Chicago; an NFT digital art exhibit at Time Out Market Miami to coincide with Miami Art Week, and Time Out Market Dubai's first Wine Market.

Alongside seven existing Markets, as part of the global expansion plans there is a significant pipeline of new locations signed as well as several in advanced negotiations. This is a result of ongoing interest from landlords and real estate developers who value Time Out Market as a concept that can transform spaces and drive consumer footfall. Our engagement with landlords has continued, albeit with the conclusion of new Management Agreements being delayed due to pandemic related restrictions earlier in the financial year. The opening of the Markets in Montreal in 2019 and of Dubai in 2021 commenced the Group's first Management Agreements which offers further expansion opportunities. Under a Management Agreement, the real estate partner funds all capital and operational expenditure with the Group receiving a pre-development fee and share of revenue and profit. This has grown as an important part of the portfolio mix as Time Out Market continues to its global expansion

Time Out Media trading overview

	12 months ended 30 June 2022 £'000	18 months to 30 June 2021 £'000
Digital advertising	[illegible]	14,923
Print	[illegible]	4,516
Live events	[illegible]	131
Local Marketing Solutions	[illegible]	1,762
Advertising sales	**23,565**	**21,332**
Affiliates	[illegible]	1,882
Offers	[illegible]	1,287
Franchises	[illegible]	1,069
Net revenue	**26,479**	**25,570**
Gross Profit	[illegible]	19,898
Gross Margin %	[illegible]	*78%*
Adjusted operating expenditure[1]	[illegible]	(27,426)
Adjusted EBITDA[1]	**1,704**	**(7,528)**

1 Adjusted measures are stated before interest, taxation, depreciation, amortisation, share based payments, exceptional items and profit (loss) on the disposal of fixed assets. These are APMs that management use to aid understanding of the underlying business performance. See note 4 of the Financial Statements for reconciliation to statutory numbers.

Furthermore, we have evolved our systematic approach to sourcing new opportunities, designed to accelerate the rate of new signings. As a result, we expect to sign more Management Agreements in the year ahead and beyond as they represent a key focus area and growth engine, increasing the Group's recurring earnings stream, without the need for further capital expenditure.

Between May and November 2022, four Management Agreements were signed. In May 2022, we announced that we have entered into an agreement with real estate developer Hankyu Hanshin Properties Corporation to open Time Out Market Osaka in 2025. An agreement with V&A Waterfront Holdings Ltd was signed in October 2022 to bring Time Out Market to Cape Town towards the end of 2023. In November 2022 agreements were signed with QuadReal Property Group and Westbank to open Time Out Market Vancouver at the end of 2024 and with Diriyah Gate Development Authority (DGDA) to open the new Time Out Market Riyadh at Diriyah Gate which is forecast to open in 2027. Furthermore, we have agreed Heads of Terms for three locations with the initial feasibility costs being met by the prospective Management Agreement parties.

Chief Executive's review continued

The current opening pipeline for new Markets – in addition to seven existing locations – includes:

- Porto (owned & operated) – calendar 2023
- Cape Town (management agreement) – calendar 2023
- Vancouver (Management Agreement) – calendar 2024
- Abu Dhabi (Management Agreement) – calendar 2025
- Prague (Management Agreement) – calendar 2025
- Osaka (Management Agreement) – calendar 2025
- Riyadh (Management Agreement) — calendar 2027

Time Out Media

Time Out Media trading was encouraging in the year with net revenue up 4% to £26.5m (2021 18m: £25.6m) generating Adjusted EBITDA of £1.7m (2021 18m: £7.5m Group Adjusted EBITDA loss). Digital revenue continued to grow and recovered to pre-pandemic levels, supplemented by selective print products in the UK, Spain, and Portugal, which slightly diluted gross margin for the year due to the higher cost of delivering print solutions.

June 2022 saw the last regular Time Out London print magazine as part of a shift towards a digital-first multi-platform strategy. As a result, the majority of the 333 cities in which we cover content are now fully digital, with only monthly print issues in Barcelona and quarterly in Madrid and Lisbon (and in a few cities within our franchise network). While this approach has incurred additional costs this year, we are already seeing the benefit of a focused digital offering, with a sales team driving and attracting higher margin digital advertising as well as more bespoke creative campaigns.

On the back of strong relationships with direct and agency partners, the Creative Solutions team delivered big ticket campaigns in the period, across multiple territories and multiple platforms. This included working with the likes of Diageo, Samsung, Google, Transport for London, Visit California and Mastercard to name a few. Many of these campaigns had a 360-degree approach spanning all of Time Out's digital channels plus Live Events, which rebounded in the period. To leverage the synergies between Time Out Media and Time Out Market, we increasingly host Live Events for clients in our Markets which is a unique proposition, attracting new clients and increased advertiser spend. One example is the Oscars Watch Party at Time Out Market New York as part of a campaign for Visit California and LA Tourism.

Our best of the city content is now being distributed across an increasing range of digital channels spanning websites, mobile, email, social media and video. A key element of our strategy is a focus on short form video for mobile consumption, and therefore filmed in portrait mode – this is an area we have invested in as it is increasingly the preferred medium in which our audience engages with the world around them. As such, we have made a leap forward in developing Time Out's video storytelling with the launch of several short form video series; these include series called Behind the Scenes, 48 Hours In..., Secrets of Your City and Hype Dish. The videos are published onsite, via Instagram Reels and TikTok. The latter is the fastest growing channel for Time Out London and within one year has seen follower numbers go from zero to almost 100,000 in June 2022 when we delivered the first commercial TikTok video for FreeNow.

We are doing much to grow our global brand audience(1), which went up 19% to 72m (2021 18m: 60m). In a period of disruption of the leisure industry this is testament to the continued relevance and authority of our brand and content, attracting a valuable, active audience. In a world with too much information, this audience values that we curate the best of the city for them and that we deliver our content to them across the digital channels where they are now. Partnerships with leading media and content brands such as Apple News drive additional traffic to our content and we have also continued to see significant viewing numbers for editorial campaigns such as World's Coolest Neighbourhoods and Best Cities rankings — these are annual stories which have built authority and interest, driving traffic as well as hundreds of pieces of press coverage and thereby global earned media.

Outlook

The post pandemic recovery has continued in the new financial year, with revenue growth in both Time Out Group divisions meeting management expectations in Q1. Given the near term weaker economic outlook, rising inflation and geo-political uncertainty, the Board recognises the head winds the Group may face in FY2023. However, it is cautiously optimistic given the increasing engagement of global brands seeking our multi-channel advertising solutions and the recent record trading days within the Time Out Market portfolio.

In contrast to most media and hospitality operators, Time Out Group is building a valuable long term recurring earnings stream. Already in place are eight Time Out Market management agreements, either open (two) or signed (six) with a term of at last 10 years, which will generate a contracted minimum aggregate contribution to EBITDA of c.£13m per annum when all are operational. Driven by the appeal of the concept and the increased resource committed to new site development, the signing of new Market management agreements in cities around the world is expected to accelerate in 2023 and beyond.

With a strengthened balance sheet, the Company is in a position to continue to execute its ambitious plans and deliver further profitable growth.

Chris Ohlund

Group Chief Executive

6 December 2022

Strategy in action

Time Out Market offers the city's best culinary and cultural experiences. In the period, numerous activations have helped attract footfall, differentiate the brand and position the Markets as not-to-be-missed destinations. Ongoing entertainment features local live bands, comedy nights, DJs and other cultural highlights which included:

- Time Out Market Chicago revealed a mural that pays tribute to Virgil Abloh — created by local artist Rahmaan Statik, it is a visual homage to the late iconic fashion designer and former Chicagoan; a ticketed Tupac vs. Biggie-themed event featured on local TV whilst the DJ Van on the patio went viral on TikTok with 5.4m views and increased bar sales by 60% after 10pm
- Time Out Market Miami presented during Miami Art Week "Metaversal_Language: Digital Art as NFTs" – a programme featuring an NFT digital art exhibit, an artist panel talk, A.I. poetry reading and more
- Time Out Market Dubai hosted its first four-day Wine Market with a curated showcase of over 200 of the world's best wines as well as educational and entertaining experiences to bring together wine lovers and purveyors
- Time Out Market Lisbon threw a big party themed "We're in (food) heaven" to celebrate its 8th birthday
- Time Out Market New York was the first-ever food hall to join NYC Restaurant Week in its 30-year history and in June, we hosted a fireside chat with mixologists Karl Franz Williams, Colin Asare-Appiah and author Tamika Hall for the launch of 'Black Mixcellence: A Comprehensive Guide to Black Mixology'
- *Time Out Market Boston held a New England Beer Festival, drawing in weekend crowds — the two-*day event featured a curated collection of the best New England microbrews
- Time Out Market Montreal launched a new tasting experience called 'La Tournée Gourmande', allowing guests to try four smaller-portion sized dishes at a reduced price to enjoy a culinary trip around the world — it proved so popular that the activation has been brought back several times

Financial review

	12 months ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Gross revenue	72,933	44,896
Concessionaire share	(17,530)	(7,093)
Net revenue	55,403	37,803
Gross profit	44,583	30,170
	80%	80%
Administrative expenses	(58,724)	(90,717)
Operating loss	**(14,141)**	**(60,547)**
Operating loss	(14,141)	(60,547)
Depreciation & amortisation		
– *Intangible assets*	2,540	6,168
– *Property, plant and equipment*	6,575	10,449
– *Right-of-use assets*	2,065	4,952
Share-based payments	1,817	1,480
Exceptional items	2,316	19,894
Loss on disposal of property, plant and equipment	47	36
Adjusted EBITDA[1]	**1,219**	**(17,568)**
Finance income	8	35
Finance costs	(5,329)	(10,544)
Loss before tax	**(19,462)**	**(71,056)**

1 Adjusted EBITDA is operating loss stated before interest, taxation, depreciation, amortisation, share based payments, exceptional items and profit/(loss) on the disposal of fixed assets. This is an APM that management use to aid understanding of the underlying business performance. See note 4 of the Financial Statements for reconciliation to statutory numbers.

Revenue and gross profit

Group gross revenue for the period increased by 62% to £72.9m (2021 18m: £45.0m) as the business recovered from the effect of the Covid 19 pandemic. The year began strongly as restrictions eased, international travel resumed and our audience once again began enjoying their cities. However in early December, the Omicron variant resulted in renewed restrictions which had a severe impact on our seasonally higher performing December period. This trickled into the second half of the year with trading returning over the rest of the year. Despite this, Group gross profit as a percentage of net revenue is consistent at 80%.

Market performance drove the increase in revenue with our markets open more consistently over the year, supplemented by the revenue generated from signing heads of terms in respect of future management agreement markets. Media revenue progressed to a recovery to pre pandemic levels of business as digital revenue returned with increased consumer confidence, driving an increase across other revenue streams, in particular Live which delivered £1.1m revenue in the year from virtually none in the prior period (2021 18m: £0.1m). In the year we have invested in the teams to focus on our Affiliates and Offers business as our audiences increasingly look for engaging but economical ways to go out.

Administrative expenses

Adjusted Group operating expenses decreased by £4.3m to £43.4m (2021 18m: £47.7m).

Market Adjusted operating expenses increased by £3.1m to £21.0m (2021 18m: £18.7m), comprising Trading operating expenditure increase of £3.0m and an increase in Market central costs of £0.2m.

Media Adjusted operating expenses decreased by £8.6m to £18.8m (2021 18m: £27.4m). Corporate costs increased to £2.7m against a comparative (2021 18m: £1.6m) that benefitted from temporary Covid-19 related cost savings.

Overall administrative expenses for the year also includes £0.8m (2021 18m: nil) related to redefining and beginning the implementation of our digital-first strategy.

Adjusted EBITDA

Group Adjusted EBITDA, which is stated before interest, taxation, depreciation, amortisation, share based payments, exceptional items and profit (loss) on disposal of fixed assets, improved to £1.2m (2021 18m: £17.6m Group Adjusted EBITDA loss). The material improvement was driven by the significant growth in revenue as the business begins to recover from the impact of the pandemic.

Operating loss

The reported operating loss was £14.1m (2021 18m: £60.5m loss).

The net exceptional costs of £2.3m (2021 18m: £19.9m) includes costs related to a discontinued corporate transaction (£0.8m), staff redundancy costs of staff who left the Group following the discontinuation of Print in the UK (£2.0m), the contractual exit costs of the former Chief Executive (£0.7m) and a gain on the modification of the Lisbon property lease of £0.5m. The majority of the prior period exceptional costs of £19.9m comprised of the impairment of Media-related goodwill (£20.0m), staff redundancy costs (£1.1m), Time Out Market Waterloo exit costs (£0.7m) and fundraising costs (£1.0m), offset by the gains on the modification of property leases (£2.4m).

The depreciation charge of £8.6m (2021 18m: £14.0m) decreased by £5.4m, driven principally by reduced Media office space in the UK and US.

The amortisation of intangible assets of £2.5m (2021 18m: £6.2m) decreased by £3.7m principally due to certain acquired intangible assets now being fully amortised.

Net finance costs

Net finance costs of £5.3m (2021 18m: £10.5m) primarily relates to interest on debt of £2.4m (2021 18m: £4.8m), amortisation of deferred financing costs of £0.2m (2021 18m: £0.4m) and interest cost in respect of lease liabilities of £2.6m (2021 18m: £4.9m).

Foreign exchange

The revenue and costs of Group entities reporting in dollars have been consolidated in these financial statements at an average exchange rate of $1.34 (2021: $1.32). The operations reporting in Euros have been consolidated at a rate of €1.18 (2021: €1.1[illegible]).

Cash and debt

	30 June 2022 £'000	30 June 2021 £'000
Cash and cash equivalents	4,849	[illegible]
Borrowings	(21,978)	[illegible]
Adjusted net debt	**(17,129)**	**(4,447)**
Lease liabilities	(27,420)	[illegible]
Net debt	**(44,549)**	**(26,900)**

Cash and cash equivalents decreased by £14.2m since 30 June 2021 to £4.8m (2021: £19.1m). This was driven primarily by the Group Adjusted EBITDA of £1.2m (2021 18m: £17.6m), Group Adjusted EBITDA [illegible] excluding [illegible] costs [illegible] (2021 18m: [illegible]), net working capital outflow of £2.8m (2021 18m: £1.1m), capital expenditure of £1.8m (2021 18m: £7.9m), net repayment of capital and [illegible] of borrowings of £[illegible] (2021 18m: £18.0m) and the repayment of lease liabilities of £4.0m (2021 18m: £6.7m).

Essential Market capital expenditure of £0.2m was undertaken to ensure the markets remain Covid-safe and £0.6m invested in the initial stages of the development of Time Out Market [illegible]. Media invested £0.7m (2021 18m: £0.6m) in capitalised software development costs to support the Group's increasingly important digital platforms and £[illegible] in [illegible] reopening of [illegible] offices.

At 30 June 2022 borrowings comprise principally the fully drawn Incus Capital Finance facility of £20.9m (2021: £19.0m). The facility was fully repaid on 30 November 2022.

On 24 August, the Group agreed an unsecured loan facility of up to £8.0 million with Oakley Capital Investments Limited ("OCIL"). The drawn balance on this facility as at 30 November 2022 of £[illegible]m has been converted to a loan note ("OCI Loan Note") at [illegible] to 31 December 2025. Interest will be charged at a 90-day average SONIA rate plus [illegible] per annum, with an arrangement fee of 2[illegible] and an exit premium.

On 24 November 2022, the Group agreed a new €35.0m secured four-year term loan facility with Crestline Europe LLP ("Crestline Facility"), which will be used to refinance the Incus Capital Facility. The facility has a term of four years, with the right to settle in full after two years. Interest may be capitalised or paid in cash, at the election of the Company, during the first year at a rate of [illegible] 3-month EURIBOR and from the second year onwards in cash at the [illegible] will be at a rate of 8.[illegible] plus [illegible] 3-month EURIBOR. [illegible] interest will be [illegible] of the facility calculated [illegible] payable upon full repayment [illegible]. The facility is subject to quarterly financial covenants based [illegible] minimum liquidity levels [illegible] reference to the principal amount [illegible] 31 [illegible] 2022, and target leverage [illegible] quarterly testing commencing on [illegible] 2023 [illegible]. The Company has also executed [illegible] warrants [illegible] and agreed to issue 11,400,[illegible] [illegible] of full [illegible] on [illegible] November 2022 and a further [illegible],784,468 [illegible] of the total [illegible] representing [illegible] share capital to the Crestline [illegible]. The [illegible] warrants, which have customary [illegible] have an exercise price of [illegible] pence per [illegible].

Going concern

The financial statements have been prepared under the going concern basis of accounting as the Directors have a reasonable expectation that the Group and Company will continue in operational existence and be able to settle their liabilities as they fall due for the foreseeable future, being a period of no less than one year from the date of approval of the financial statements ("forecast period"). In making this determination, the Directors have considered the financial position of the Group, projections of its future performance and the financing facilities that are in place.

In making this assessment the Directors have considered two scenarios over the forecast period:

The base case assumes a slow but steady period of growth across both Market and Media. Market revenue is assumed to improve driven by Time Out Market Lisbon returning to pre-pandemic trading levels and other O&O markets progressing towards steady-state trading levels by the end of the forecast period. Our strong Management Agreement pipeline is also forecast to deliver incremental revenue in the forecast period. Media revenue is assumed to return to pre-pandemic levels driven by a focus on high margin digital first offerings complemented by the return of Live Events, Affiliate and Offers revenue. This scenario does assume an appropriate element of cost inflation but does not include the impact of extended global economic uncertainty or further pandemic related restrictions. The downside case sensitises the base case to assume that the Market Owned & Operated revenue and Media revenue underperforms the base case by 10% while maintaining the base case gross margin, with no further lockdowns and no corresponding reduction in budgeted operating costs over the forecast period. Consistent with the base case, it also assumes an appropriate element of cost inflation but does not include the impact of extended global economic uncertainty or further pandemic related restrictions.

The Directors consider the downside case reduction in revenue for each division to be [illegible] given recent performance, however with the uncertainty created by inflationary and recessionary factors this scenario is considered severe but plausible.

As set out earlier, the Group has successfully refinanced the Incus Capital loan facility which was fully settled on 30 November. €[illegible]m of the new €35.0m Crestline facility remains undrawn and the agreement allows for the facility to be extended to €47.5m by mutual consent.

The Board is satisfied that under both scenarios the Group will be able to operate within the level of its current debt and financial covenants and will have sufficient liquidity to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. For this reason, the Group and Company continue to adopt the going concern basis in preparing its financial statements.

Corporate social responsibility

CHAMPIONING DIVERSITY, SUPPORTING LOCAL COMMUNITIES, EVOLVING SUSTAINABLE PROCESSES.

Time Out has been at the heart of city life for decades and is committed to engaging with and supporting local communities and causes in cities around the world. This includes highlighting green issues to raise awareness amongst our audience, championing diversity and inclusion, or developing further sustainable processes across our business. We care about responsible and sustainable practices – and while we have initial steps and activities in place, there is still much for us to do and we are committed to evolving and expanding our initiatives.

EDITORIAL

Time Out has a global audience that is very interested in sustainability – we are dedicated to raising awareness amongst our readers around sustainability through regular editorial features and campaigns. Our global reach enables us to give people around the world a nudge to enjoy city life more responsibly and to create awareness around relevant issues.

In November 2021, Time Out put the spotlight on climate action and sustainable living via its digital and social editorial content. This focus on how cities across the world are creatively tackling climate change was timed to coincide with the high-profile United Nations Climate Change Conference in the UK.

DIVERSITY & INCLUSION

We believe the richness of the world is in its diversity. The cities we represent are melting pots of different people, ideas, experiences and beliefs. To [illegible] these [illegible] and inform [illegible]. Time Out [illegible] them. Time Out has advocated for diversity and inclusion [illegible] our founder, Tony Elliott, was passionate about equality and diversity.

Diversity develops creativity and enables personal and professional growth. Our aim is to create an open culture and we are committed to supporting and celebrating diversity and equality, and we consciously work towards reflecting this in our organisation. Steps include:

- We have an editorial ethos that reflects the cities we serve. Our hiring and commissioning of employees, freelancers, illustrators and photographers reflect diverse backgrounds, perspectives and voices.
- We practice blind recruitment and for applications received from third parties we insist on a candidate longlist where more than one gender or ethnicity is represented.
- We support women leaders by ensuring gender equality within our senior leadership team and at all levels of the organisation.
- Employees completing – if they wish so – an ethnicity census, so that we have a baseline to measure and improve upon.
- We believe that everyone has the right to express themselves and empower everyone to bring their full authentic selves to work. A diverse and inclusive workforce is creative and enables us to learn from each other.

In July 2021, Time Out was announced as an official media partner for Copenhagen 2021 WorldPride – one of the most significant LGBTI+ events taking place in the year – and EuroGames. The media partnership featured across Time Out's global network of websites and social media channels.

Corporate social responsibility continued

SUPPORTING

SUSTAINABILITY

Time Out Market aims to be a responsible neighbour and to engage with the local community. We focus on managing and limiting waste with local recycling, sustainable sourcing and charitable initiatives (such as working with our chefs to host charity events in the Markets, supporting local organisations and causes).

We are committed to do more and to evolving our approach to sustainability. In September 2022, we kicked off work with The SRA, the Sustainable Restaurant Association, on a sustainability strategy for Time Out Market which will include transparent waste reduction targets, community engagement, sustainability standards for vendors and more.

SUSTAINABLE PROCESSES

At Time Out Market, we use chinaware, cutlery and glassware to serve guests which helps us reduce single-use plastic.

And as part of our digital-first strategy, we no longer print magazines in most of our cities which in London alone (where we printed the last regular magazine in June 2022) will result in not printing approximately 500 million pages a year – that's how much we would print annually with a fortnightly circulation of 310,000 and around 64 pages per magazine.

However, it is worth mentioning that when printing our London magazine [illegible] were produced, delivered and distributed in a sustainable way, ensuring our suppliers are environmentally conscious with ethical business practices in the UK, our paper used [illegible] materials [illegible] recycling [illegible] and compostable paper, reducing and eliminating single-use plastic, and minimising the carbon footprint.

Section 172 statement

Maximising value and ensuring long-term success includes taking account of what is important to our key stakeholders.

Our stakeholders	Why we engage	What matters to this group	How we engage
Shareholders and debt providers	Continued access to capital is important for our business as we continue to grow. Whilst we focus on expanding through Management Agreements, we will be developing Owned & Operated Time Out Markets. We work to ensure that our shareholders and key debt providers have a good understanding of our strategy and business model, growth opportunities and performance.	› Strategy and business model, incorporating responses to possible impacts of a global recession › Demonstrating flexibility and maximising resilience against the impacts of a global recession › Long-term growth potential › Financial performance › Capital expenditure requirements and liquidity	› The Group CEO, CFO and Investor Relations Director conduct an ongoing investor relations programme which includes individual meetings with institutional shareholders following the interim and full year results › Copies of the Annual Report are sent to all shareholders and can be downloaded from the Investors section on www.timeout.com, which also contains other information relevant to our investors › Shareholders have the opportunity to ask the Board questions during each Annual General Meeting › The Group CFO and Time Out Market Co-CEOs hold an annual meeting with the Group's key debt provider
Employees	Our experienced and diverse workforce is our key asset, and attracting and retaining this talent is critical to our success.	› Business strategy and financial stability, including resilience against possible impacts of a global recession › Opportunities for development and progression › Key values such as diversity and inclusion › Fair pay and benefits › Job satisfaction › Working for an innovative company rooted in an iconic brand, with a strong sense of our values › Appropriate adjustments to office working and home working opportunities, due to Covid-19 pandemic	› The Group CEO conducts regular inductions for all new starters globally to ensure understanding of the brand, our Company values and business objectives › The Group CEO shares regular updates with all global staff, covering key recent developments in the business › Executive management team makes presentations to all global staff providing an update on financial performance, business strategy and key progress › Employee engagement and exit surveys provide employees a chance to provide anonymous feedback which is shared with management and used to develop strategies to increase employee satisfaction › Annual performance reviews (with mid-year check-ins) engage staff about their contribution, development and career aspirations, as well as their alignment with the Company's values. There is also a Company-wide culture of weekly one-to-ones with line managers, team meetings and regular functional "stand-ups" › Social events are organised by local social committees › A diversity & inclusion framework is in place (including practising blind recruitment) and will be evolved as regular engagement surveys will provide us with the opportunity to capture the ethnicity data that makes up our workforce to better understand the diversity within our global teams › Training opportunities include GDPR refresher training and financial contributions to professional training contracts › Environment initiatives are led by cross-functional teams across our regional offices and work is under way on a more comprehensive sustainability strategy

Our stakeholders	Why we engage	What matters to this group	How we engage
Global audience	Time Out's brand and curated content, and the audience that engages with it, is at the heart of everything we do.	› High quality, independent and professionally generated content which helps our audience discover and experience the best things to do in a city. › The confidence that they can trust Time Out's curation and recommendations. › A consistent, authentic brand experience across all our digital and physical channels. › The ability to experience the best food, drink and cultural experiences in a unique single location at all Time Out Markets.	› All Time Out's interactions with our audience are tracked in real time through multiple analytics platforms. › We also engage with our audience via large scale surveys, panels, user generated content, voting and via content which inspires direct consumer action – as well as through Markets and Live Events. › Time Out works with professional journalists to ensure expertise, experience and local knowledge. › In the Time Out Markets, we regularly refresh the curation and proposition to ensure the culinary mix is up to date and the experience is as frictionless as possible. › We implemented a mobile app to enable pre or at table ordering for visitors at our Markets.
Advertising clients	Agency and direct client relationships are critical to generation and growth of advertising revenues.	› Brands are seeking innovative, integrated and bespoke advertising solutions from a trusted media partner which can reach a highly desirable audience. › Advertising clients seek a positive, brand safe environment for their campaigns which Time Out's trusted, high quality content and global brand can offer.	› Regular sales calls, in person and via video conference drive deep, long-term relationships and immersion into the brand including meetings at Time Out Market. › Senior management hold a series of meetings with agency investment teams to update them on our business proposition. › Agency wide presentations and "lunch & learn" events, to strengthen mutual understanding and build awareness of our brand. › Attendance at industry events, conferences and networking groups to grow and enrich client relationships, whilst widening our footprint in the market. › Close introductions (in person) elevate Time Out's relationships with key advertising clients, so we better understand their business needs. › Integrated campaigns bringing Media and Market together generating larger revenue, long term deals, offering multi-platform and on site activations. › We leverage our editorial voice to create bespoke branded content solutions to offer our clients 360 degree platform campaigns.

Section 172 continued

Our stakeholders	Why we engage	*What matters to this group*	How we engage
Concessionaires	Time Out Market's proposition depends on attracting and retaining the best chefs and restaurateurs of a city – it is crucial that we build strong partnerships that create long term value for both parties.	› Visitor volumes and consistent footfall › Revenue and margin potential › The accolade of being the 'best of the city' › Access to a Commercial Manager who holds quarterly meetings in person or via video conference providing advice and insights › Building a profile with an international customer base	› Regular operational communication by Time Out Market General Managers with each concessionaire › Marketing teams deliver marketing plans, including summaries of recent activity and planned upcoming activity › One to two meetings every year with Time Out Market Co-CEOs › Commercial Manager, assisted by the General Managers, completes a performance review, which includes a deep dive on menu, pricing, sales, covers, average spend and customer service
Landlords	Strong, long term relationships with landlords – whether Owned & Operated or Management Agreements – in a unique location are key to creating long term value for both parties.	› Visitor footfall to drive site appeal to other potential tenants › Real estate value growth › Long term partnership › The addition of a new destination to their site, neighbourhood and city › The value of working with a highly recognised, global brand	› Time Out Market Co-CEOs maintain regular contact *with all landlords and meet with them in person*, quarterly or half yearly › Time Out Market General Managers interact with landlords and/or the landlord's representatives on a monthly basis › General Managers hold regular meetings with Management Agreement partners for operational reviews › Time Out Market Finance Director conducts regular meetings with each Management Agreement partner's Finance team to review results › Time Out Market Co-CEOs and key staff hold quarterly meetings with Management Agreement partners to review operations, financial performance and relationship
Community and environment	We are committed to engaging with and supporting the communities we operate in and minimising the impact of our business operations on the environment.	› Time Out readers are interested in sustainability › *Time Out Market being a responsible neighbour and minimising disruption* › Waste management working with local recycling › Sustainable sourcing › Charitable donations	› Time Out is dedicated to raising awareness amongst its readers around green issues and sustainability through regular editorial features and campaigns › Time Out Market is dedicated to companies and suppliers, and part of this is to engage with the local community; for example, top chefs host charity events in the markets, supporting local organisations and causes › Time Out members of staff in offices around the world organise and participate in charity initiatives › Work is under way on a sustainability strategy across the business; in September 2022, work started on a strategy for Time Out Market, in collaboration with The SRA, the Sustainable Restaurant Association

Principal risks and uncertainties

The Board continually reviews the potential risks facing the Group and the controls in place to mitigate any potential adverse impacts.

The Board also recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed. The list is therefore not intended to be exhaustive.

Regulatory Risks

Risk	Mitigation Action/Control
Privacy and data protection risk	As the Group's digital offering expands, the Group increasingly needs to gather and use customers' personal data in order to transact with both businesses and customers. Unauthorised access to customer data could lead to reputational damage, compliance issues and a loss of customer confidence. The Group relies on third party contractors and its own employees to collect personal data and to maintain its databases and therefore the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection regulations. The Group has developed and implemented information security policies and procedures (for example, password policies and remote access policies), security monitoring software, physical access limitations and detection and monitoring of fraud from internal staff. Access to the network is protected by a firewall system supplied by specialist third parties. The Group also operates fraud detection systems which use various industry standard anti-fraud rules to prevent fraudulent transactions in real time. The Group encrypts sensitive data such as passwords and other certain information to ensure there is an additional layer of security.

Risk	Mitigation Action/Control
Health and safety	The health and safety of the Group's employees and customers is a key priority. We are required to comply with local health and safety legislation, including fire safety, food hygiene and allergens in our Markets. Each Time Out Market location completes site specific risk assessments and General Managers are required to undertake regular compliance inspections. Furthermore, third party consultants conduct bi-monthly "mock" inspections at each Market and any action points are addressed by the General Manager. Each Time Out Media location has a nominated health and safety co-ordinator to ensure that local health and safety requirements are fully assessed, and the required actions are implemented to ensure compliance. In response to Covid-19, all Group locations have been modified to include sanitation facilities and to allow social distancing. In our Media offices, app based booking systems allow staff to book a desk in the office while ensuring that the maximum capacity is not exceeded.

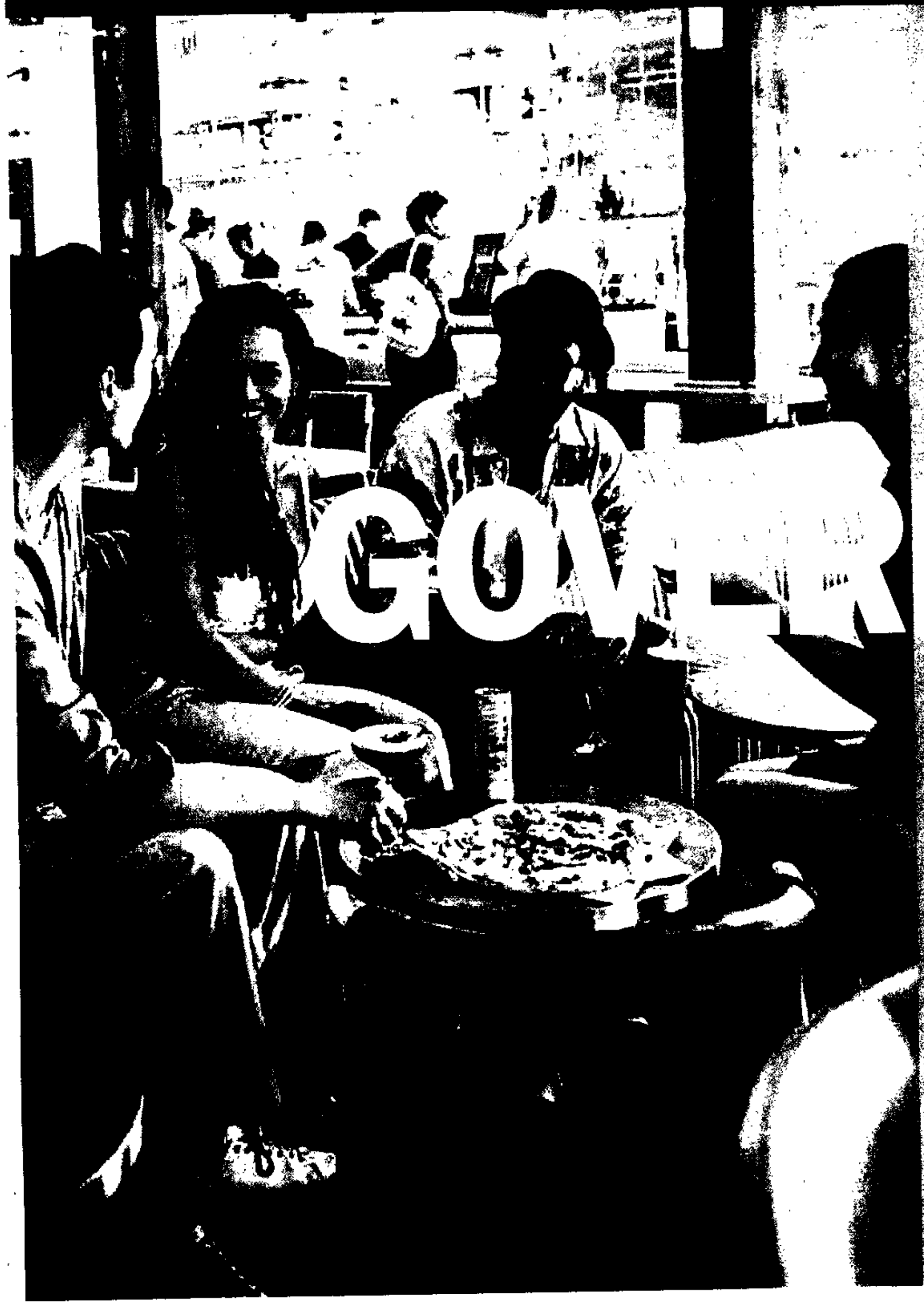
Operational Risks

Risk	Mitigation Action/Control
Technological risk IT systems	The Group is particularly dependent on its IT infrastructure, and any system performance issues or shortcomings, such as system, software or infrastructure failure, damage or denial of access, could cause significant business interruption. The efficient and uninterrupted operation of the systems, technology and networks on which the Group relies and its ability to provide consumers with reliable, real time access to its products and services is fundamental to the success of the Group's business. The Group mitigates these risks by moving critical systems to the cloud where possible and is currently completing the migration of its publishing system to the cloud. The Group continues to partner with specialist third-party solution providers to review and maintain our business continuity and disaster recovery plans, to ensure these can be effectively delivered if required.
Technological risk Technological advancements	Time Out's continued growth is dependent on up to date and effective technological systems. Any failure to ensure that IT capacity and capability keep pace with the business could impair the Group's ability to grow. The Group makes ongoing investments in IT systems, security and people to ensure that systems keep pace with the development of the business. Key investment areas are identified annually, and progress tracked regularly to ensure that the objectives are being met.
Key management	The Group's success depends on its key personnel, particularly its senior management team, and its ability to retain them and hire other qualified employees. The loss of a significant number of key personnel may have a negative effect on the Group's ability to deliver its products in a timely manner and would, amongst other things, require the remaining key personnel to direct immediate and substantial attention to seeking a replacement. The HR department monitors employee satisfaction through employee surveys and forums and uses the information to develop staff retention programmes. The Remuneration Committee also seeks to ensure that rewards correspond with performance and retention, and key individuals are incentivised through the Group's LTIP scheme.
Potential security incidents	Each Time Out Market is exposed to some risk of terrorist and other similar incidents. These incidents would have an immediate impact on the Group's revenue and a longer-term impact on the Group's reputation. Each Market engages third-party security specialists to provide a visible security presence throughout, in addition to Market wide CCTV monitoring. Each Market has a General Manager responsible for ongoing monitoring of physical security and regular testing of evacuation plans. This is supplemented by Active Shooter training to ensure that local teams react appropriately. General Managers regularly meet with local police to understand and address any additional threats and provide regular communication to concessionaires about relevant government policies.

Risk	Mitigation Action/Control
Brand protection	The Group depends on its brand name and any damage to its brand or reputation could impact the ability to attract and retain customers with a resultant impact on revenue, as well as its ability to attract high-calibre employees. The Group has brand guidelines in place which are regularly communicated to all employees and key third parties to ensure consistency of voice and approach throughout all marketing activities. There is also a robust strategy in place for actively pursuing and defending the Time Out brand name and all supporting trademarks, domain names and other intellectual property in all key markets in all relevant classes. Furthermore, the Group employs internal and external legal personnel who are experts in intellectual property to manage the trademark and domain name portfolios and there is an ever-increasing number of trademarks and domain names applied for and registered across the world.

Economic Risks

Risk	Mitigation Action/Control
Macroeconomic uncertainty (Recession, Inflation, Russo-Ukrainian War)	The Group aims to minimise the possible effects of macroeconomic uncertainty through diversification. The Group's Media business is digitally led across a diverse range of customers globally. The Group's Market business is globally diversifying and focusing on capex-free Management Agreements. The impact of the Russo-Ukrainian war has not had (and is not expected to have) a significant impact on the Group.
Consideration of risk posed by Covid-19	During the periods of closure and lockdown, we have taken all possible action to reduce our cost base. The Board continues to monitor government advice and actively communicate with our employees, customers and suppliers as operations return to a pre-Covid-19 level.
Consideration of risks posed by Brexit	The Group continues to monitor the impact on its business now that the UK has left the European Union. The Group currently considers that key areas of risk are around staff, currency volatility and data privacy regulation. To date there has been limited impact on the Group's operations.
Competition	The Group operates in a highly competitive industry and the advent of new technologies and industry practices may adversely affect the Group's business, results of operations and financial condition. The Group is subject to several risk factors relating to product demand, price, recognition of the Time Out brand and the ability to attract and retain new customers. The Group continues to invest in the development of its digital offering to ensure that it remains innovative, competitive and attractive in the markets in which it operates. The focus on the quality of offering means that the Group can respond to changes in the competitive landscape and to the needs of its readership audience and commercial partners.



GOVERNANCE

Strategy in action

Time Out Market curation

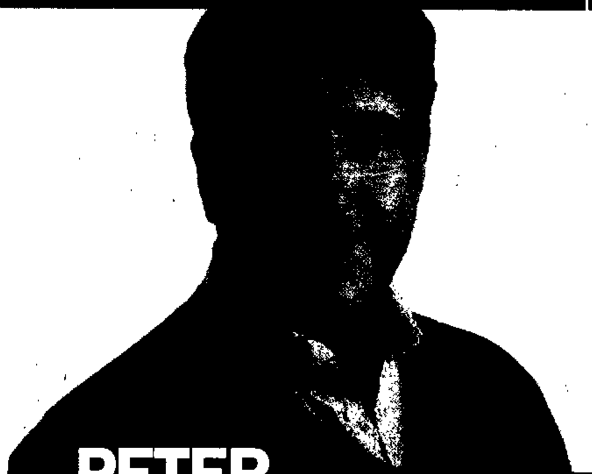
BRINGING A CITY'S BEST CHEFS TOGETHER UNDER ONE ROOF

We continue to attract top culinary talent to join Time Out Market as part of our ongoing curation of the best of the city.

In this financial year, our focus was to keep our offering fresh and appealing, building back up the number of chefs in all Markets following the reopenings. Around 30 new concessions were signed in the second half of the year alone across our seven Markets globally. The roster of new chefs joining and complementing the already impressive culinary mix included some of the world's top culinary talent:

- Chef Chanthy Yen – who is also Justin Trudeau's personal chef – has opened a new concept at Time Out Market Montreal.
- Time Out Market Miami welcomed James Beard award-winning Chef Michelle Bernstein who introduced her concept Little Liberty; and The Rogue Panda – by culinary innovators from Momofuku and Eleven Madison Park – launched their new plant-based Chinese vegan concept at Time Out Market Miami.
- Time Out Market New York kicked off a collaboration with "The Migrant Kitchen" – a New York concept focused on providing meaningful opportunities for immigrants through a pop-up kitchen, where for every meal purchased, one is donated to a New Yorker in need.
- Time Out Market Chicago welcomed Luella's Southern Kitchen by Chef Darnell Reed (a James Beard semi-finalist) and Instagram favourite, JoJo's ShakeBar.
- New, recent vendors at Time Out Market Dubai include SLAB cocina, Lana Lusa, Boon Coffee and The Lighthouse – Pastry and Dessert.
- Say Coffee Co. joined Time Out Market Boston, putting a spotlight on Vietnamese-rooted, fair trade coffee that is bold and rich in taste and flavour.
- At Time Out Market Lisbon, Chef Vincent Farges opened his kitchen – one of the city's top chefs with a Michelin star in his local restaurant. In August 2022, another new vendor joined: O Frade offers traditional food from the Portuguese region Alentejo and is a Bib Gourmand – an award given to restaurants that offer what Michelin deems to be good quality and good value cooking.

Board of Directors



PETER DUBENS

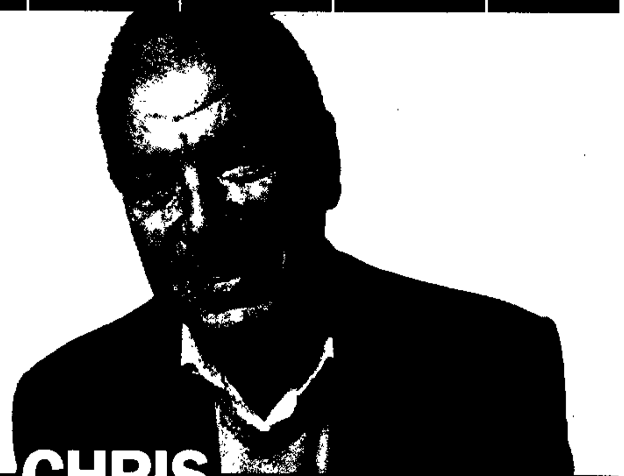
Non-Executive Chairman

Date joined

Mr Dubens joined the Group in November 2010 as a Non-Executive Director and was appointed Non-Executive Chairman in May 2016.

Experience

Mr Dubens is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management and advisory group comprising Private Equity, Venture Capital and Corporate Finance operations managing approximately €5bn. Mr Dubens founded Oakley Capital in 2002 to be a best-of-breed, entrepreneurially-driven investment house, creating an ecosystem that supports the companies the Oakley Capital Group invests in, whether they are early-stage companies or established businesses.



CHRIS OHLUND

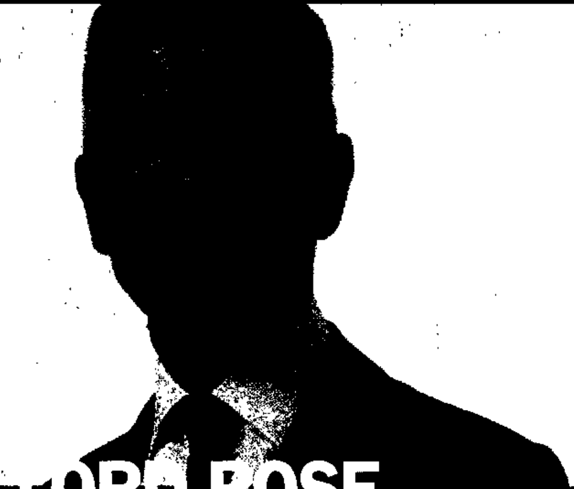
Chief Executive Officer

Date joined

Mr Ohlund joined the Group in July 2021 as Executive Vice-Chairman, and was appointed CEO in October 2021.

Experience

Mr Ohlund has over 25 years of leadership experience in international digital businesses ranging from leading media brands, consumer platforms and film production. He has served on various boards including as Chairman of then-publicly listed Ricardo (part of Tradus) – which was eventually sold to Naspers for $1.9bn. Mr Ohlund served as Non-Executive Director at Oscar-winning Condor Films in Switzerland, London-based internet start-up Shutl.com (until its sale to eBay), Facile and Casa in Italy and currently serves on the board of the UK's leading PropTech, Residently. As CEO of Germany's leading online comparison portal Verivox, he quadrupled annual revenue and increased enterprise value sixfold to over €500m. Previously he turned around the digital business unit of Blick, a daily Swiss newspaper, to become the number one digital news portal in Switzerland. Prior to that he served as CEO of logistics firm DPD.



LORD ROSE OF MONEWDEN

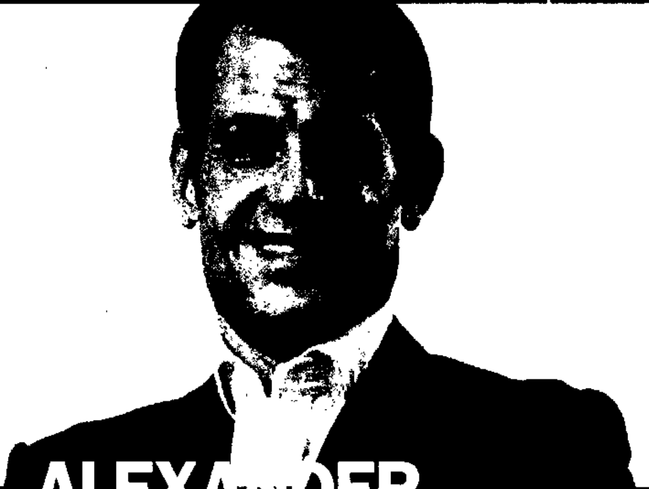
Non-Executive Director

Date joined

Lord Rose joined the Group in December 2015 as Chairman of Time Out Market Limited and was appointed as a Non-Executive Director in June 2016.

Experience

Lord Rose has worked in the retail industry for over 40 years, including over 25 years' board-level experience. He has held Chief Executive Officer positions at Argos, Booker, Iceland, Arcadia Group and Marks & Spencer and Chair positions at EG Group, Marks & Spencer and Ocado Group. Lord Rose was knighted for services to the retail industry and corporate social responsibility in 2008 and was appointed to the House of Lords in 2014. He is the Chair of the Audit Committee and the Remuneration Committee.



ALEXANDER COLLINS

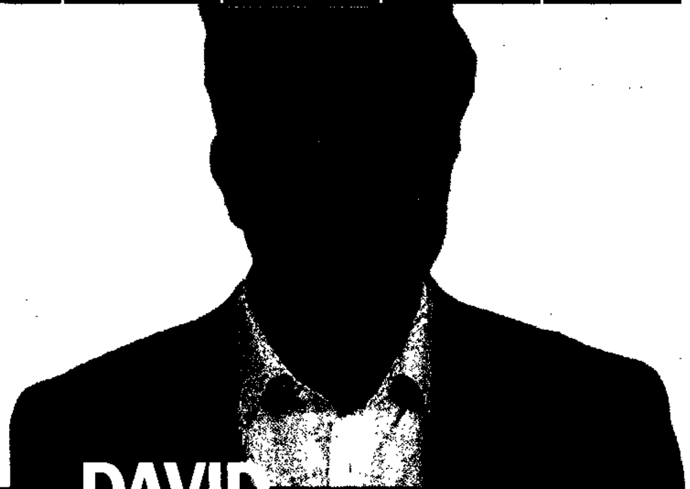
Non-Executive Director

Date joined

Mr Collins joined the Group in November 2010 as a Non-Executive Director.

Experience

Mr Collins is a Partner at Oakley Capital where he joined in 2007 and has over 24 years of private equity investment and operational experience. His focus at Oakley is primarily on deal origination, execution, and investment advice. Mr Collins began his career at GE Capital in 1995 before being seconded to Advent International for two years as Associate Director. He subsequently joined Henderson Private Capital as Principal. Mr Collins joined Oakley in 2007 from Wharfedale Capital where he was a Partner involved in purchasing secondary assets. Mr Collins holds an MSc from the London School of Economics and a BA in Economic History from Union College, New York.



DAVID TILL

Non-Executive Director

Date joined

Mr Till joined the Group in October 2020 as a Non-Executive Director.

Experience

Mr Till co-founded the Oakley Capital Group in 2002 with Peter Dubens. He plays a key role within the Oakley Capital Group and has overall responsibility for operations, finance, due diligence, compliance and fund formation. Mr Till holds a BA (Hons) in Economics from Essex University. He started his career in the British Army, then later qualified as a chartered accountant with Coopers & Lybrand and worked in industry as a finance director, before returning to the profession holding senior M&A roles before co-founding Oakley Capital. Mr Till is a member of the Audit Committee and the Remuneration Committee.

Corporate Governance report

The Board is the link between the shareholders and executive management and is responsible for the successful stewardship of the Group. As such the Board plays a key role in the corporate governance process.

During the period 1 July 2021 to 29 October 2021, the Board comprised six Directors, two of whom were Executive Directors and four of whom were Non Executive Directors. From 29 October 2021 the Board comprised five Directors, one of whom was an Executive Director and four of whom were Non-Executive Directors. The composition of the Board throughout the year ended 30 June 2022 reflects a blend of different experiences and backgrounds. Biographical details of current Board members during the year ended 30 June 2022 are shown on pages 64 and 65. The Board believes that the composition of the Board brings a desirable range of skills and experience in light of the Company's challenges and opportunities, while at the same time ensuring that no individual (or small group of individuals) can dominate the Board's decision-making. The Company regarded Lord Rose an "Independent Non-Executive Director" within the meaning of the QCA Code and free from any business or other relationship that could materially interfere with the exercise of their judgement.

The Board's composition and skill set is considered appropriate for the Group's current stage of development. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. As the Board is small, there is not a separate Nominations Committee and recommendations for appointments to the Board will be considered by the Board as a whole after due evaluation.

The Board is responsible for the Group's strategy and for its overall management, as well as setting the Group's values and standards. The operation of the Board is documented in a formal schedule of matters reserved for its approval which is reviewed annually. These matters relate to:

- all of the Group's strategic aims and objectives;
- the structure and capital of the Group;
- financial reporting, controls and policies including those around cyber protection;
- setting budgets and forecasts;
- internal controls;
- approval of any significant contracts, expenditure, partnerships and/or ventures;
- effective communication with shareholders;
- any changes to the Board membership or structure, including delegation of authority;
- approval of remuneration for Executive Directors; and
- approval of appointment of Key Management Personnel and Directors.

Non Executive Directors communicate directly with Executive Directors and senior management in between formal Board meetings.

The Board met four times during the year ended 30 June 2022. Directors are expected to attend all meetings of the Board and committees on which they sit, and to devote sufficient time to their duties to the Group.

In the event that Directors are unable to attend a meeting, their comments on papers to be considered at the meeting will be discussed in advance with the Chairman so that their contribution can be included in the wider Board discussion.

The following table shows Directors' attendance at scheduled Board and Committee meetings for the year ended 30 June 2022.

	Board	Audit	Remuneration
Peter Dubens	4/4	-	-
David Till	4/4	2/2	2/2
Lord Rose	3/4	2/2	2/2
Alexander Collins	1/4		
Chris Ohlund*	4/4	1/1	–
Julio Bruno	1/[illegible]	1/[illegible]	

* [illegible]

The Board has delegated specific responsibilities to the Audit Committee and the Remuneration Committee, details of which are set out below. Each committee has written terms of reference setting out its duties, authorities and reporting responsibilities.

The Audit Committee has primary responsibility for monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported. It receives and reviews reports from the Group's management relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. It meets with the external Auditors throughout the year to discuss their findings in relation to the annual accounts.

The Audit Committee aims to meet not less than two times in each financial year, and it has unrestricted access to the Group's external Auditors.

During the year ended 30 June 2022 the Audit Committee comprised of Lord Rose and David Till and is chaired by Lord Rose.

More information about this Board committee can be found in the Audit Committee report on page 70.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

The Remuneration Committee meets as and when necessary, but aims to meet at least twice each year.

During the year ended 30 June 2022 the Remuneration Committee comprised of Lord Rose and David Hill and is chaired by Lord Rose.

More information about this Board Committee can be found in the Directors' remuneration report on page 72.

All Directors take part in a thorough induction process on joining the Board, tailored to the existing knowledge and experience of the Director concerned.

The performance of the Board is fundamental to the Company's success. The performance of the Board and its Committees, including individual members, is evaluated regularly by the Chairman, with the aim of improving their effectiveness.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

The key management roles for the year ended 30 June 2022 that have been identified by the Board are as follows:

- Group Chief Executive Officer,
- Time Out Market Co-Chief Executive Officer (Development), and
- Time Out Market Co-Chief Executive Officer (Operations).

Next financial year, key management will include the leadership team.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness.

However, any such system is designed to manage risk, it cannot eliminate all risk and therefore it provides reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- close management of the day-to-day activities of the Group by the Executive Directors;
- an organisational structure with defined levels of responsibility, which promotes entrepreneurial decision making and rapid implementation whilst minimising risks;
- a comprehensive annual budgeting process, producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;
- detailed monthly reporting of performance against budget; and
- central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at the current time, however an internal review is completed by relevant senior members of the finance function in order to ensure accuracy in the financial reporting.

The Group continues to refine its approach to business continuity and disaster recovery and further testing and risk assessments were carried out through the year ended 30 June 2022 for both head office and overseas locations. The Group continues to mitigate risks by migrating local systems to the cloud where possible. The Group uses the services of a specialised third party solution provider, currently working on refining business continuity and disaster recovery plans to ensure these shall be effectively delivered if needed.

The Company continues to observe the QCA Code (the QCA Corporate Governance Code for Small and Mid Size Quoted Companies, published by the Quoted Companies Alliance Code). In accordance with the requirements of the QCA Code, the Board continues to set out its corporate governance statement on the Group's website, including clear signposting to the availability of corporate governance disclosures by the Group, which are also set out in the section following this one.

Copies of the Annual Report are sent to all shareholders. Copies of the annual and interim reports can be downloaded from the investors section on www.timeout.com. Other information for shareholders and interested parties is also provided on that website. Written or emailed enquiries are handled by the Group's Investor Relations Director and/or the Company Secretary.

The Group has an ongoing programme of individual meetings with institutional shareholders and analysts following the preliminary and half year results presentations to the City. These meetings allow the Group Chief Executive Officer and the Chief Financial Officer to update shareholders on strategy and the Group's performance. Additional meetings with institutional investors and/or analysts are arranged from time to time. All members of the Board receive copies of feedback reports from the City presentations and meetings, thus keeping them in touch with shareholder opinion.

Shareholders are given the opportunity to ask questions and raise issues at the Annual General Meeting ("AGM"); this can be done formally during the meeting or informally with the Directors after it. The Annual General Meeting will be held on 30 December at 1st Floor, 172 Drury Lane, London, WC2B 5QR. The Notice of the Annual General Meeting accompanies this Annual Report and Accounts.

Approved by the Board and signed by order of the Board by

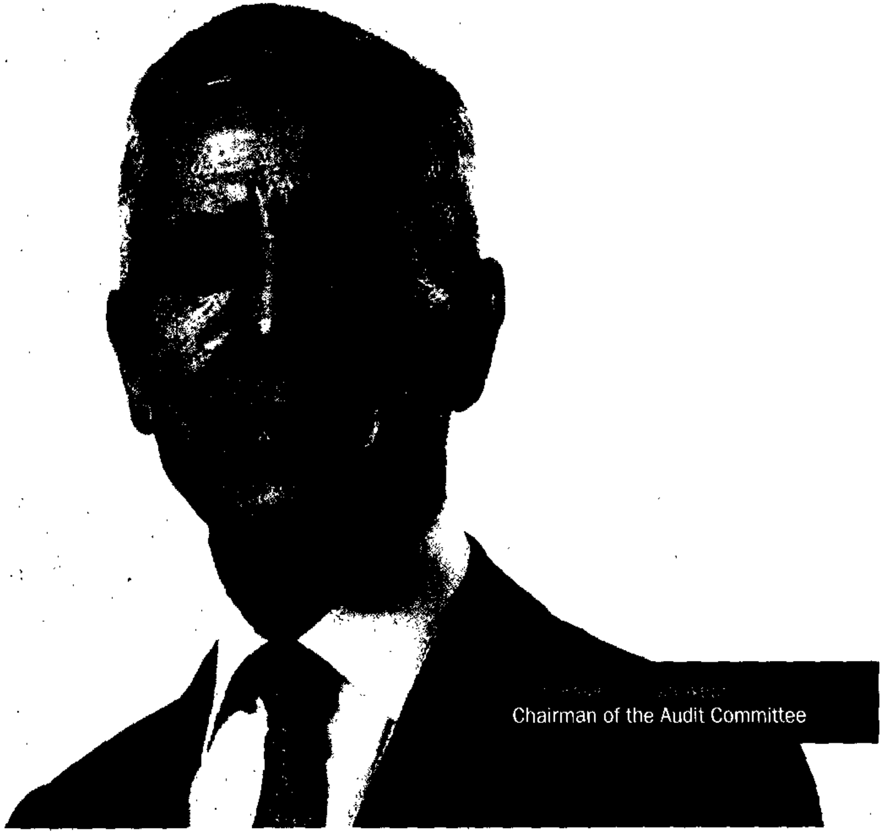
Company Secretary

QCA Code principles and disclosures

Principal	Disclosure
Establish a strategy and business model which promotes long-term value for shareholders.	The Group's business model and strategy is set out on pages 38 of the Annual Report and Accounts for the year ended 30 June 2022. The business model and strategy promote long-term value for our shareholders.
Seek to understand and meet shareholder needs and expectations.	Both the Chairman and Executive Director engage [illegible] with shareholders. There is an ongoing programme of individual meetings with institutional shareholders following the preliminary and half year results presentations, at which the Group CEO and CFO update shareholders on strategy and the Group's performance. Copies of the Annual Report and Accounts are sent to all shareholders and copies of the [illegible] reports can be downloaded from the investors section of www.timeout.com, where other information for investors and shareholders is also available. Shareholders have the opportunity to ask questions of the Board at the Annual General Meeting and to speak with Board members informally after the meeting. The Group has an Investor Relations Director, engaging with shareholders.
Take into account wider stakeholder and social responsibilities and their implications for long-term success.	The Group takes its impact on the environment seriously. Employees are required to use the organisation's equipment and materials wisely and reduce wastage where possible. In local offices there are initiatives seeking to limit environmental impacts, such as a group planning and implementing practical local initiatives and delivering reminders to all, in order to reduce environmental impact by staff and the Company. Staff members engage with charities in cities where the Company has a presence, by volunteering their time and through fundraising activities. The Group has a whistleblowing policy in place and arrangements for employees to report any concerning activity, so that appropriate action can be taken.
Embed effective risk management, considering both opportunities and threats, throughout the organisation.	The Board and Group's approach to risk is set out in the Audit Committee report on page 70 of the Annual Report and Accounts for the year ended 30 June 2022 and Principal Risks and Uncertainties on pages [illegible]. The Board has overall responsibility for the system of internal control and for reviewing its effectiveness in managing the risks we face. Such systems are designed to manage rather than eliminate risks and can provide only reasonable and not absolute assurance against material misstatement or loss. Each year, on behalf of the Board, the Audit Committee reviews the effectiveness of these systems. This is achieved primarily by considering the risks potentially affecting the Group and from discussions with the external auditor. The Audit Committee, on behalf of the Board, [illegible] risks. The key risks of the Group are summarised [illegible] the Annual Report and Accounts for the year ended 30 June 2022 on page [illegible]. On the recommendation of the Audit Committee, the Board [illegible] budgeting process [illegible] is reviewed and approved by the Board. [illegible] the latest forecast are reported to the Board on a monthly basis and discussed at each meeting of the Board.
Maintain the board as a well-functioning, balanced team led by the chair.	The Board aims to meet at least four times a year. In addition to full Board meetings, there are regular discussions on various matters, including strategy, business updates and KPIs, between individual Board members and/or smaller group(s) from the Board. The Audit Committee and Remuneration Committee report to the Board. Each Director serves on the Board until the annual general meeting following his or her election or appointment. The Board is comprised of experienced individuals, with current skills and capabilities from a mix of global and local industries. Biographies for the Board Directors are on pages 64 and 65 of the Annual Report and Accounts for the year ended 30 June 2022 and also on the Investor Relations area of www.timeout.com.

Principal	Disclosure
Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.	The Board's members, between them, bring current experience and skills from a variety of business sectors and territories across the world. The Board is comprised of a Non-Executive Chairman, one Executive Director and three Non-Executive Directors. For the purposes of the QCA Code, the Company considers that from the four Non Executive Directors (being the Non Executive Chairman and three other Non Executive Directors) Lord Rose of Monewden is an independent Director and he has been CEO of publicly listed companies. Biographies for the Board Directors are on pages 64 and 65 of the Annual Report and Accounts for the year ended 30 June 2022 and also on the Investor Relations area of www.timeout.com.
Evaluate all elements of board performance based on clear and relevant objectives, seeking continuous improvement.	[illegible]
Promote a corporate culture that is based on sound ethical values and behaviours.	The Company has adopted the following policies: Anti-Bribery Policy; Anti-Fraud Policy; Business Ethics Policy; Code of Conduct; Communication Policy; Data Protection Policy; Employee Privacy Notice; IT Security Policy; Mental Health Policy; Risk Management and Identification Policy; Travel & Expense Policy; Whistleblowing Policy; so that all aspects of the Company are run in a robust and responsible way. The Company has adopted a share dealing code to ensure Directors and employees do not abuse, and do not place themselves under suspicion of abusing, inside information of which they are in possession, and to comply with its obligations under the Market Abuse Regulation, which applies to the Company by virtue of its shares being traded on AIM. Furthermore, the Company's share dealing code is compliant with the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time). The Company has a Human Resources team and resources available, including a Company HR Portal accessible by all, where a wide variety of resources can be accessed, including employee support services, all Company policies and an anonymous "suggestions box" with publicly posted responses. The Company encourages personal development, inter-departmental communication and team strategising and building through provision of training, department team summits, and social events which are free to attend.
Maintain governance structures and processes that are fit for purpose and support good decision making by the board.	[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]
Communicate how the company is governed by maintaining a dialogue with shareholders and other relevant stakeholders.	There is an ongoing programme of meetings between Executive Directors with existing shareholders and also between Executive Directors with potential investors. The Annual Report and Accounts is sent to all shareholders and copies of both the Annual and Interim reports are available to the general public and can be downloaded from www.timeout.com. On the Investor Relations section of the website there is other information available for investors and shareholders, including on how the Company is governed and compliance with the QCA Code. Shareholders have the opportunity to ask questions of the Board during each Annual General Meeting and to speak with Board members informally after the meeting. Both the Chairman and Executive Directors engage frequently with shareholders, including via scheduled meetings following full-year and half-year results.

Audit Committee report



Chairman of the Audit Committee

Its role includes monitoring the integrity of the *financial* statements (including the *Annual Report and* Accounts and interim *accounts and results announcements*), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by the *external Auditors, and* advising on the appointment *of the external* Auditors.

The Audit Committee's members for the year ended 30 June 2022 were David Till and Lord Rose of Monewden who is Chair of the Audit Committee. Neil Wood attended *Committee meetings in* his role as interim Chief *Financial Officer. The Committee* met twice in the year ended *30 June 2022. Details* on attendance for these *meetings* can be found in the Corporate Governance report on page 66.

The *Board* is satisfied that the members of the Committee during *the year ended* 30 June 2022 have appropriate, recent and relevant *financial* experience. Lord Rose has experience as Chief Executive Officer in major listed companies, ultimately responsible for finance functions, and Mr Till is a qualified chartered accountant, with a wealth of experience in finance including ultimate responsib*ility* for finance functions. *More information on* Lord Rose and Mr Till's *backgrounds can be found in* the Directors' biographies on pages 64 *and* 65.

The main duties of the Audit Committee are set out in its Terms of Reference which are available on the Company's website www.timeout.com and are also available on request from the Company Secretary.

The main items of business to be considered by the Audit Committee include:

- review of the Annual Report and Accounts;
- consideration of the external audit report and management representation letter;
- going concern review;
- review of the audit plan and audit engagement letter;
- review of the suitability of the external Auditors;
- review of the risk management and internal control systems;
- review of the interim results and dividend;
- assessment of the need for an internal audit function; and
- review of the regular whistleblowing reports.

The Audit Committee monitors the relationship with the external Auditors, PricewaterhouseCoopers LLP who were appointed in 2014, to ensure that auditor independence and objectivity are maintained. As part of its review the Committee monitors the provision of non audit services by the external Auditors. The breakdown of fees between audit and non-audit services is provided in note 7 of the Group's accounts. No non audit fees were incurred in the year ended 30 June 2022.

The Audit Committee also assesses the Auditors' performance. Having reviewed the Auditors' independence and performance, the Audit Committee has recommended that PricewaterhouseCoopers LLP be reappointed as the Company's Auditors at the next Annual General Meeting.

The Auditors prepare an audit plan for their review of the full year financial statements. The audit plan sets out the scope of the audit, areas to be targeted and the audit timetable. This plan is reviewed and agreed in advance by the Audit Committee.

Following its review, the Auditors present their findings to the Committee for discussion.

Areas of significant risk and other matters of audit relevance are regularly communicated.

At present the Group does not have an internal audit function, and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. The Committee will continue to review this decision.

As described on page [illegible] of the Corporate Governance report, the Group has established a framework of risk management and internal control systems, policies and procedures.

The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the year the Committee has reviewed the framework and the Committee is satisfied that the internal control systems in place are currently operating effectively.

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. Whistleblowing is a standing item on the Committee's agenda and updates are provided at each meeting. During the year there were no incidents for consideration.

Approved by the Board and signed on behalf of the Board by

Chairman of the Audit Committee

Committee Members

Lord Rose of Monewden
(Chair)

David Till
(Member)

Meetings in the year

2

Activities for the year

The main activities for the year included:

- review of the FY21/22 audit plan and audit engagement letter;
- consideration of key audit matters and how they are addressed;
- review of the interim financial results and Annual Report and Accounts;
- consideration of the external audit report and management representation letter;
- going concern review;
- review of levels of financial processes and procedures;
- meeting with the external Auditors without management present;
- consideration of the external Auditors' lead Partner rotation, and alternative external Auditors service providers; and
- review of whistleblowing and anti-bribery arrangements.

Directors' remuneration report

The Remuneration Committee's members during the year ended 30 June 2022 were David Till and Lord Rose who was *Chair of the Remuneration Committee*. The Committee operated under the Terms of Reference and was responsible for reviewing the performance of the Executive Directors and for making recommendations to the Board on matters relating to their remuneration and terms of service. The Committee was also responsible for making recommendations to the Board on proposals for the granting of share options.

The Remuneration Committee met twice during the year ended 30 June 2022.

More information about the members of this Committee can be found on pages 64 and 65 in the Directors' biographies.

Committee Members

Lord Rose of Monewden
(Chair)

David Till
(member)

Meetings in the year

2

The objective of the Group's remuneration policy is to attract, motivate and retain high quality individuals who will contribute fully to the success of the Group. To achieve this objective, the Group provides competitive salaries and benefits to all employees. Executive Directors' remuneration is set to create an appropriate balance between both fixed and performance related elements. Remuneration is reviewed each year in light of the Group's business objectives. It is the Remuneration Committee's intention that remuneration should reward achievement of objectives and that these are aligned with shareholders' interests over the medium term.

No Director has any involvement in setting their own remuneration.

Remuneration consists of the following elements:

- Basic salary;
- Performance-related annual bonus;
- Share options;
- Pensions; and
- Benefits including insurance and allowances.

The Company operates a Long Term Incentive Plan ("LTIP") which is a discretionary share plan.

The LTIP is designed to encourage continual improvement and to align the interests and objectives of senior management with those of shareholders in the medium term. More details of this scheme are in note 27 of the consolidated accounts. The Remuneration Committee supervises the operation of the LTIP and the grant of Awards to Executive Directors and the Board oversees the LTIP for employees.

The service agreement of the Group Chief Executive Officer is terminable by either party giving the other six months' notice in writing.

During this financial year the Chief Financial Officer served in an interim capacity under a short term consultancy contract. On [illegible] September 2022 Patrick Foley joined the Group as the new Chief Financial Officer.

The Non-Executive Directors' letters of appointment may be terminated by either party giving three months' written notice.

The following table summarises the actual total gross remuneration, for qualifying services, of the Directors who served during the year ended 30 June 2022 and the prior period.

	Salary £'000	Benefits £'000	Pension £'000	Loss of office £'000	Share Options exercised £'000	Bonus £'000	Total £'000
EXECUTIVE							
Chris Ohlund (appointed 20 July 2021)	464					500	**964**
[illegible] (resigned [illegible] October 2021)	100	3	9	369	2,055	–	**2,536**
NON-EXECUTIVE							
Peter Dubens							–
Lord Rose of Monewden	45						**45**
Alexander Collins		–	–			–	–
David Till							–
TOTAL	**609**	**3**	**9**	**369**	**2,055**	**500**	**3,545**

[illegible]
[illegible]

Directors' remuneration report continued

	Salary £'000	Benefits £'000	Pension £'000	Loss of office £'000	Share Options exercised £'000	Total £'000
EXECUTIVE						
Julio Bruno[1]	413	11	42			468
Adam Silver (resigned 31 July 2020)	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
NON-EXECUTIVE						
Peter Dubens						[illegible]
Lord Rose of Monewden	[illegible]					
Alexander Collins						[illegible]
Tony Elliott (deceased [illegible] 2020)	[illegible]					
Matthew Riley (resigned 9 February 2021)[3]	50					50
David [illegible] (appointed 1 October 20[illegible])						
TOTAL	**642**	**33**	**47**	**182**	**-**	**904**

1. [illegible]
2. [illegible]
3. [illegible]

The Directors, who served in the year ended 30 June 2022 and who held an interest in the ordinary shares of the Company, were as follows:

	Shareholding at 30 June 2022	Shareholding at 30 June 2021
EXECUTIVE		
Chris [illegible]		
Julio Bruno	1,791,276	[illegible]
NON-EXECUTIVE		
Peter Dubens	[illegible]	[illegible]
Lord Rose of Monewden		
Alexander Collins		
David [illegible]	214,280	214,280

Options granted to Directors in the year ended 30 June 2022 and in the period 1 January 2020 to 30 June 2021, together with details of the share option schemes, are set out in note 27.

In the year ended 30 June 2022, Julio Bruno exercised 3,613,333 options on 19 November 2021. At 30 June 2022 the total number of shares Mr Bruno held in the Company was 1,791,276.

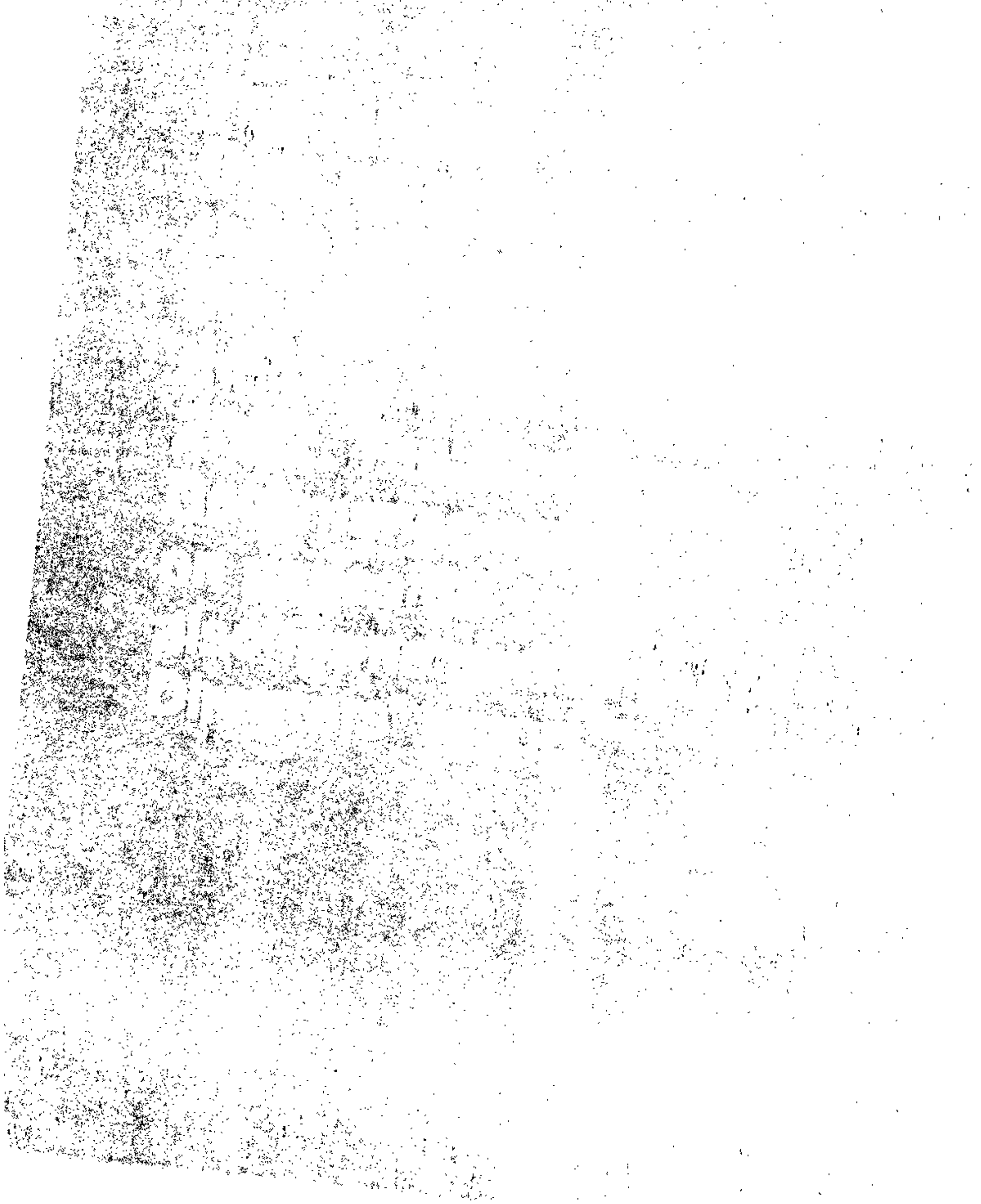
In the period 1 January 2020 to 30 June 2021, Adam Silver exercised options over 133,333 ordinary shares on 19 January 2021. 16,666 options were awarded at nil cost on 13 April 2018, 16,668 options were awarded at nil cost on 13 April 2019, and 100,000 options were awarded at nil cost on 13 April 2019, and 100,000 options were awarded at nil cost on 28 March 2019. Mr Silver sold all 133,333 of the ordinary shares exercised at an average price of 33p per share on the same day. Following this share option exercise, Mr Silver does not hold any shares in the Company. In the period 1 January 2020 to 30 June 2021, Julio Bruno did not exercise any options.

The market price of the Company's ordinary shares at 30 June 2022 was 49p (30 June 2021: 60p) and the range during the year was 48 to 60p (18 months ended 30 June 2021: 28p to 122p).

Approved by the Board and signed on behalf of the Board by

Chairman of the Remuneration Committee

Directors' report



The Company referenced in the Annual Report and Accounts is Time Out Group plc, a company registered in England and Wales and located at 1st Floor, 172 Drury Lane, London WC2B 5QR. The Group referenced in the Annual Report and Accounts includes the Company as well as the subsidiaries listed in note 15 of the financial statements.

Time Out launched in London in 1968 as a magazine to help people discover the exciting new urban cultures that had started up all over the city. Today, the Group's digital and physical presence comprises websites, mobile, Live Events and Time Out Market. Across these platforms, Time Out distributes its curated content – written by professional journalists – around the best food, drink, culture, entertainment and travel across 333 cities in 59 countries. Time Out Market is a food and cultural market which brings the best of the city together under one roof: its best chefs, drinks and cultural experiences – based on editorial curation. The first Time Out Market opened in Lisbon in 2014, followed by Miami, New York, Boston, Montreal and Chicago in 2019, and Dubai in 2021. A pipeline of further global locations is in development.

This Annual Report and Accounts has been prepared to provide shareholders with a fair and balanced review of the Group's business and the outlook for the future development of the Group as well as the principal risks and uncertainties which could affect the Group's performance.

The table below identifies where to find specific information related to the business review.

Content	Section	Pages
[illegible]	Strategic section	[illegible]
Business Review including Outlook	Strategic section	44–48
[illegible] Risks & Uncertainties	Strategic section	[illegible]
Corporate Governance	Governance section	66–[illegible]
[illegible]	Financial Statements	[illegible]

Directors' report continued

The Group has subsidiaries in the UK, Portugal, Spain, Australia, Hong Kong, Singapore, Canada, Czech Republic and the United States of America. It also operates a branch in France.

A review of the Group's outlook can be found in the Chief Executive's review on page 48.

The Group has reported its audited accounts in accordance with International Financial Reporting Standards as adopted by the United Kingdom. The Group's results are set out in the Consolidated Income Statement on page 86. The Company has prepared the individual Company accounts in accordance with UK GAAP including The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 101).

The Group loss for the year after taxation was £19.6m (2021: £70.5m). The Directors do not recommend the payment of a dividend (2021: £nil).

On 24 November 2022, the Group agreed a new €35.0m secured four year term loan facility with Crestline Europe LLP ("Crestline facility") which will be used to refinance the Incus Capital facility. The facility has a term of four years, with the right to settle in full after two years. Interest may be capitalised or paid in cash, at the election of the Company, during the first year at a rate of 9.5% plus 3-month EURIBOR and from the second year onwards interest will be paid in cash at a rate of 8.5% plus 3-month EURIBOR. There will separately be an exit premium payable upon full repayment of the facility, calculated by reference to the principal amount drawn. The facility is subject to quarterly testing covenants based on minimum liquidity levels (quarterly testing commencing on 31 December 2022) and target leverage ratio (quarterly testing commencing on 30 June 2023).

The Directors of the Company, who were in office during the year ended 30 June 2022 and up to the date of this report, together with their biographical details, are shown on pages 64 and 65.

The Directors' interests in the Company's shares and options over ordinary shares are shown in the Directors' remuneration report on page 74.

Except for the amounts disclosed in the remuneration report, no Director has any beneficial interest in the share capital of any subsidiary or associate undertaking.

The Company has purchased and maintained during the year ended 30 June 2022 Directors' and Officers' liability insurance in respect of itself and its Directors.

The Directors also have the benefit of the indemnity provision contained in the Company's Articles of Association which represents a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and at the date of approval of the financial statements.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in conformity with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors of the ultimate parent Company are responsible for the maintenance and integrity of the ultimate parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's Auditors are aware of that information.

The Directors are responsible for ensuring the Annual Report and Accounts are made available on a website and are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of the Annual Report and Accounts, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Annual Report and Accounts contained therein.

The Company made no political donations during the year ended 30 June 2022 (2021: £nil).

The financial risk management objectives and policies of the Group, including credit risk, interest rate risk and currency risk are provided in note 22 of the accounts.

The Company's share capital comprises one class of ordinary shares with a nominal value of £0.001 each. At 30 June 2022, 335,870,417 ordinary shares were in issue (2021: 331,980,417 ordinary shares).

In accordance with the Disclosure and Transparency Rules DTR 5, the Company as at 14 November 2022 (being the last practicable date before the publication of this report) has been notified of the following disclosable interests in its issued ordinary shares:

Shareholder	Ordinary shares held	% of ownership
[illegible]	[illegible]	[illegible]
Oakley Capital Private Equity Limited	80,461,015	23.96
Oakley Capital Investments Limited	[illegible]	[illegible]
Richard Caring	19,977,057	5.95%
[illegible]	[illegible]	[illegible]
Barclays Capital Collateral Account	9,935,034	2.96%

On admission of its shares following the IPO in June 2016, the Company entered into a relationship agreement with TO (Bermuda) Limited, TO [illegible] (Bermuda) Limited, Oakley Capital Investment Limited, Oakley Capital Private Equity ("Oakley Entities"), the principal purpose of which is to ensure the Company is capable of carrying on, at all times, its business independently of them and their associates.

Under the relationship agreement, providing that the Oakley Entities' combined holdings are greater than 20%, they shall be entitled to appoint two Directors.

Details of employee share option schemes are set out in note 27 of the accounts.

The Directors' assessment of going concern is set out on page 51 of the Strategic Report.

The Group undertakes activity which could be classified as research and development. This is further explained in note 2 of the accounts.

Save as set out below, there are no actual or potential conflicts of interest between the duties of the Directors of the Company and the private interests or other duties that they may also have.

Peter Dubens is a managing partner of and founder of Oakley Capital and has direct involvement in that company, its subsidiaries and associated companies.

David Till is a managing partner of and founder of Oakley Capital and has direct involvement in that company, its subsidiaries and associated companies.

Alexander Collins is also a partner of Oakley Capital.

Further information is set out in note 28 of the accounts.

The Group is committed to being an equal opportunities employer and opposes all forms of discrimination.

Applications from people with disabilities will be considered fairly and if existing employees become disabled, every effort is made to retain them within the workforce wherever reasonable and practicable. The Group also endeavours to provide equal opportunities in the training, promotion and general career development of disabled employees.

The Group regularly provides employees with information of concern to them, which incorporates the Group's current performance and its future aims and strategies. The Group has created an HR portal to ensure all employees have access to relevant policies and information. We also use it to encourage suggestions from employees in areas that are important to them.

The Group is committed to reflecting diversity in its workforce and aims to improve this balance going forward. As at 30 June 2022, the Group had the following employees:

	Male	Female	Total
All employees	[illegible]	[illegible]	[illegible]
Senior managers	28	16	44
Board of Directors	[illegible]		[illegible]

Directors' report continued

We are aware of the impact our business has on the environment and it is our aim to ensure that we minimise any adverse impacts from our operations.

Given the nature of its activities, the Group's direct impact on the environment is relatively modest. Nonetheless, policies and standards are in place which aim to minimise this impact wherever possible. These include:

- compliance with all relevant national legislation as a minimum standard;
- employment of practical energy efficiency and waste minimisation measures;
- use of technology to reduce the need for business travel.

Greenhouse gas emissions and kWh consumption data for the year ended 30 June 2022 for Time Out England Limited, the Group's UK trading subsidiary, is set out below:

	Activity	Tonnes CO_2e	kWh
Scope 2	Grid-supplied electricity	18.92	97,864

Energy Intensity measure	
Tonnes CO_2e per £m revenue	0.3

We have used the UK Government GHG Conversion Factors for Company Reporting 2022 to calculate our total CO_2 figures.

The Group communicates its ethical standards to employees through the Group's Business Ethics Policy and our Code of Conduct, which includes bribery, competition, conflicts of interest, inside information, confidentiality, gifts and entertainment, discrimination, harassment and fair dealing with customers and suppliers. Information on the above as well as a statement of compliance with the Modern Slavery Act 2015 is contained on our website. In addition, the Group's whistleblowing policy and procedures means every employee can have a voice and a means to raise concerns to the Group.

PricewaterhouseCoopers LLP (PwC) has expressed willingness to continue in office as Auditors and a resolution to reappoint them will be proposed at the Annual General Meeting.

The Annual General Meeting will be held on 30 December 2022. The ordinary business comprises receipt of the Directors' report and the audited financial statements for the year ended 30 June 2022, the re-election of Directors, the reappointment of PwC as independent Auditors and authorisation of the Directors to determine the Auditors' remuneration.

The Notice of Annual General Meeting and ordinary and special resolutions to be put to the meeting are included at the end of this Annual Report and Accounts.

The Group has policies in place to mitigate risk surrounding fraud, bribery, modern slavery and whistleblowing amongst other things. It operates a Code of Conduct.

The Directors are required by law to act in a way that promotes the success of the Company for the benefit of shareholders as a whole. In doing so, the Company must also give due consideration to the wider expectations of responsible business behaviour, having regard to the interests of its key stakeholders, as set out in the Strategic Report on page 56 to 58. The Board is conscious of its obligations under the Companies Act 2006, including s172 duties.

As required by Section 172 of the UK's Companies Act 2006, a director of a company must act in the way he/she considers, in good faith, would most likely promote the success of the company for the benefit of shareholders. In doing this, the director must have regard, amongst other matters, to the:

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

By understanding our key stakeholder groups, we can factor their concerns and needs into boardroom discussions.

Board processes are reviewed and will be updated where necessary to ensure key stakeholders are considered in those discussions.

The Directors' report was approved by the Board on 6 December 2022 and signed by order of the Board.

Company Secretary

Independent auditors' report

to the members of Time Out Group plc

In our opinion:

- Time Out Group plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2022 and of the group's and company's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2022 (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 30 June 2022; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Overview

Audit scope

- The group is organised into 26 individual reporting components and the group financial statements are a consolidation of these reporting components.
- Of the 26 components we identified 7 which, in our view, required a full scope audit either due to their size or risk characteristics. 6 of these were audited by the group engagement team.
- There is one significant component based overseas, Time Out Market Mercado da Capital LDA, which has been audited by PwC component auditors.
- Audit procedures were performed in 2 further reporting units, Time Out Market Limited and Time Out Digital due to their contributions to the financial statement line items in the group financial statements; and
- As a result of this scoping we obtained coverage over 77% of the consolidated revenues.

Key audit matters

- Valuation and impairment of goodwill and intangible assets (group)
- Valuation and impairment of investments in subsidiaries (company)
- Going concern (group and company)

Materiality

- Overall group materiality: £1,100,000 (2021: £765,000) based on 5% of loss before tax using a 3 year average.
- Overall company materiality: £1,330,000 (2021: £726,750) based on 1% of total assets capped at 95% of group materiality.
- Performance materiality: £1,000,000 (2021: £573,000) (group) and £997,500 (2021: £543,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The impact of COVID-19, which was a key audit matter last year, is no longer included because the key audit matter was to address the response to the initial year impacted by COVID-19. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report continued

to the members of Time Out Group plc

Key audit matter	How our audit addressed the key audit matter
Valuation and impairment of goodwill and intangible assets (group) The group has £2[illegible] million (2021: £28.[illegible] million) of goodwill and intangible assets at [illegible] (2021: £[illegible] million). The determination of whether an impairment exists can be judgemental. Management must determine the recoverable amount when impairment indicators are identified. The determination of recoverable amount, being the higher of value in use ("VIU") and fair value less costs of disposal ("FVLCD"), requires judgement and estimation on the part of management in identifying and then determining the recoverable amounts for the relevant cash generating units ("CGUs"). Recoverable amounts are based on management's view of key assumptions which include: Forecast cash flows for the next five years; A long term terminal growth rate applied beyond the end of the five year forecast period; and A discount rate applied to the model. Management considers there to be 2 CGUs in respect of goodwill [illegible] Time Out Group plc, we have therefore assessed each CGU separately to assess the future cash flows of the relevant entities which represent the CGUs. Refer to the accounting policies section within the financial statements for disclosure of the related accounting policies, judgements and estimates and Note 1[illegible] for detailed goodwill disclosures and Note 1[illegible] for detailed intangible asset disclosures within the consolidated financial statements.	[illegible] obtained the group's impairment analysis we tested the reasonableness of the key assumptions, including the following: We verified the integrity of formulae and the mathematical accuracy of management's valuation models; We evaluated and assessed the reasonableness of the group's future cash flow forecasts, and the process by which they were prepared, confirming that they were the forecasts approved by the board of directors, assessing the reasonableness of the budget including the revenue, costs and EBITDA included in these budgets based on our understanding of the group and the past performance of the group; We performed look back procedures to assess the historic reasonableness and accuracy of management's forecasts; We tested the directors' key assumptions for long term growth rates outside the budget period, by comparing them to [illegible] long term growth rates using our valuation experts; We tested the mathematical integrity of the forecasts and the models and reconciled them to the board approved budget; With the support of our valuations experts, assessing the discount rate used in each model and whether it [illegible] within a reasonable range taking account of external market data. Our assessment of discount rates also included consideration of country and asset specific risks and challenging management to ensure that these have been appropriately captured in either the discount rate or underlying cash flow forecasts; and We performed our own sensitivities over the key drivers of the cash flow forecasts, being revenue, EBITDA, the long term growth rate and the discount rate used. We have reviewed the financial statement disclosures made with respect to the sensitivity of the discount rate, cash flows and growth rates. As a result of our work, we are satisfied that management's impairment assessment of intangible assets is appropriate.
Valuation and impairment of investments in subsidiaries (company) At 30 June 2022, the company holds investments in subsidiaries amounting to £8[illegible] million (2021: £[illegible] million). Investments in subsidiaries are accounted for at historical cost less accumulated impairment. Judgement is required to assess if an impairment exists, and whether the investment carrying value is supported by the recoverable amount. In assessing for impairment, management considers if the underlying net assets of the investment support the carrying amount and whether other facts and circumstances, including [illegible] recognised in the group financial statements, would be indicative of an impairment. Based on management's assessment, impairment in respect of the carrying value of investments in subsidiaries are identified at the balance sheet date and therefore an impairment charge of £[illegible] million was recognised during the year. Refer to note 1[illegible] of the company's financial statements.	In respect of investments in subsidiaries in the company, we undertook the following to test management's assessment for indicators of impairment: Evaluated and challenged management's assessment and judgements, including assessing that consideration has been given to the results of the group's impairment assessment in respect of intangible assets and property, plant and equipment; We tested the mathematical accuracy of management's assessment and that the net assets of the subsidiaries being assessed agreed to the respective subsidiary balance sheet at 30 June 2022; and Independently performed an assessment of other internal and external impairment triggers, including considering the market capitalisation of the group with reference to the carrying value of investments in subsidiaries in the company to identify possible impairment indicators. As a result of our work, we are satisfied that management's impairment assessment of the company's investments and that the impairment recognised within the company's investments are both appropriate.

Key audit matter	How our audit addressed the key audit matter
Going Concern (group and company) [illegible] As a result of the material uncertainty with respect to going concern [illegible] [illegible] During November 2022 the group [illegible] [illegible] Refer to note 2 of the consolidated financial statements.	We assessed the directors' going concern analysis and obtained evidence to support the key assumptions used [illegible] [illegible] [illegible] [illegible] appropriate. [illegible] going concern section of our report below.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is organised into 26 reporting components and the group financial statements are a consolidation of these reporting components. The reporting components vary in size and we identified 7 components, in the UK and Portugal, that required a full scope audit of their financial information due to either their size or risk characteristics. 6 of these were audited by the group engagement team. There is one significant component based overseas, Time Out Market Mercados da Capital LDA which has been audited by PwC component auditors.

Our audit scope was determined by considering the significance of each component's contribution to revenue and individual financial statement line items, with specific consideration to obtaining sufficient coverage over significant risks. As a result of this scoping we obtained coverage over [illegible] of the consolidated revenues.

The group engagement team were significantly involved at all stages of the component audits by virtue of numerous communications throughout, including the issuance of detailed audit instructions and review and discussions of the audit approach and findings, in particular over our areas of focus. The group audit team met with local management and the component audit teams and attended the clearance meetings.

In addition, we reviewed the component team reporting results and their supporting working papers, which together with the additional procedures performed at group level, gave us the evidence required for our opinion on the financial statements as a whole.

Our audit procedures at the group level included the audit of the consolidation, goodwill and other intangible assets and taxes. The group engagement team also performed the audit of the company.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Independent auditors' report continued

to the members of Time Out Group plc

Based on our professional judgement, we determined *materiality for the financial statements* as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£1,400,000 (2021: £765,000)	£1,330,000 (2021: £726,750)
How we determined it	5% of loss before tax using a 3 year average	based on 1% of total assets, capped at 95% of group materiality
Rationale for *benchmark applied*	Based on *the benchmarks used in the Annual Report*, loss before tax is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark. We have chosen this as our benchmark as it is a key performance measure and is used by the users of the financial statements. This figure takes prominence in the Annual Report, as well as the *communications to both* the shareholders and the market. *Based on this it is considered appropriate to use loss before tax figure for the year* as an appropriate benchmark.	We believe that total assets are considered to be appropriate as it is *not a profit oriented company*. The company is a holding company only and therefore total assets is deemed a *generally accepted auditing benchmark*.

For each component in *the scope of our group audit*, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £800,000 and £1,330,000. Certain components were audited to a local statutory audit materiality that was also *less than our* overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. *Specifically*, we use performance *materiality in* determining the scope of our *audit and the nature* and extent of our testing of account balances, *classes of transactions* and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £1,000,000 *(2021: £573,000)* for the group financial statements and £997,500 *(2021: £545,000)* for the company *financial statements*.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – *and concluded that an amount* at the upper end of our normal *range was appropriate*.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £70,000 (group audit) *(2021: £38,000)* and *£70,000 (company audit)* (2021: £38,000) *as well as misstatements* below those amounts that, in our view, *warranted reporting* for qualitative reasons.

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecast and downside scenarios, including those that incorporate the unpredictability of the global pandemic *on the group's operations* and the macroeconomic environment, *checking that the forecasts have been subject to board* review and approval.
- *Considering the historical reliability* of management forecasting for *cash flow and net debt* by comparing budgeted results to actual performance.
- Auditing the key inputs into the models, to ensure that these were consistent with our understanding and the inputs used in other key accounting judgements in the financial statements.
- Performing our own independent sensitivity analysis to understand the impact of changes in *cash flow and net debt on* the *resources available to the group*.
- Auditing the detail supporting the new financing *facility and also auditing the covenants applicable* to the group's borrowings. We have also reviewed whether management's assessment supports on going compliance with those covenants, and
- *Reading management's paper* to the Audit Committee in respect of going concern, and agreeing the forecasts set out in this paper to the underlying base case cash flow model.

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 *group's and 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.

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

However, because not *all future events or conditions* can be *predicted*, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are *responsible for the* other information. Our opinion on the *financial statements* does not cover *the other information and*, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the *financial statements*, our *responsibility* is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material *inconsistency or material* misstatement, we are *required to perform procedures* to conclude whether *there is a material misstatement* of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report *based on these responsibilities*.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and [illegible] legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal [illegible] [illegible] estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and [illegible] component auditors included:

- [illegible] controls designed to prevent and detect irregularities and fraud;
- [illegible] of management and the group's legal function regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

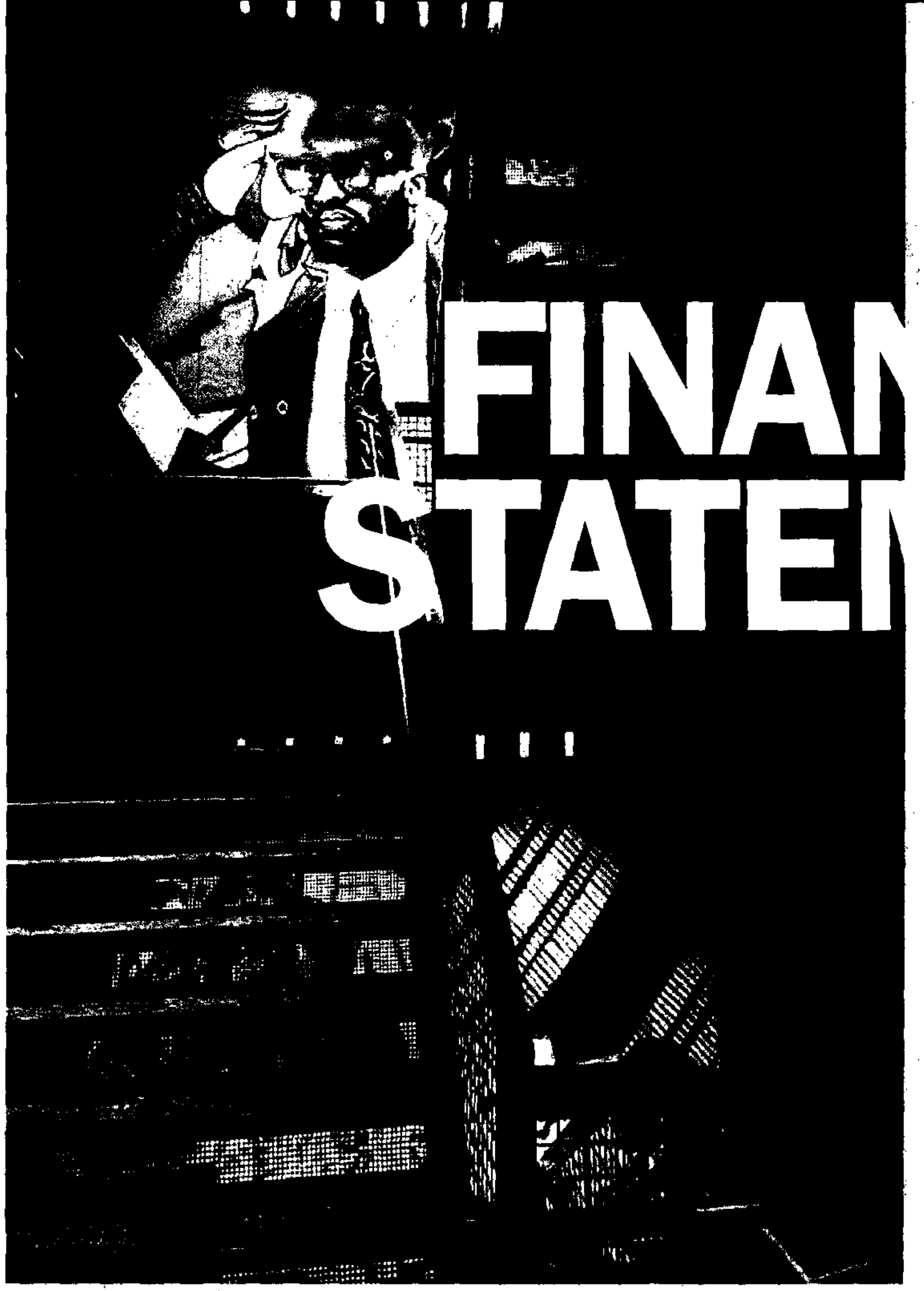
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
[illegible] December 2022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Strategy in action

Time Out Media

CREATIVE SOLUTIONS CAMPAIGNS FOR THE WORLD'S LEADING BRANDS

The Time Out Creative Solutions team with its strong client relationships – both direct and agency side – continues to bring our partners' brands to life, delivering impactful and engaging campaigns.

We differentiate in the industry with our 360-degree multi-channel approach and bespoke campaigns so our partners can connect with our brand, content and audience.

In the US, we have seen increasing demand from leading blue chip brands which want to advertise with us. For Mastercard, we delivered a multi-platform programme including 12 bespoke events (four of which took place at Time Out Market) and a custom content series. For Visit California and LA Tourism Board, we ran digital and "in real life" promotions including an Oscars Watch Party at Time Out Market New York. Other brand clients in the period included Grubhub, Guinness, Get Your Guide, TD Bank, Bowery Farming and more.

In the UK, Time Out delivered its first commercial TikTok partnership with FREE NOW, The Mobility Super App. This was part of a wider bespoke campaign that Time Out's Creative Solutions Team developed for the client, spanning a variety of channels including the newsletter, Instagram and digital content. For Samsung, we continued our ever popular events residency at their flagship London store, Samsung KX; the partnership consisted of curation, organisation, sale and delivery of 48 ticketed events between April and December and the promotion of these events via Time Out's website and social channels. Other key clients in the year included the lastminute.com London Eye, Jet2 Malta, Levi's, TfL Transport for London and the Elizabeth Line opening.

Across APAC we have seen demand from domestic tourism boards such as Hong Kong Tourism, Visit Victoria and Destination New South Wales. And in Singapore for example, we saw a shift to campaigns with brands such as Remy Cointreau, Beam Suntory and Schweppes as people spent more time at home in light of changing bar opening regulations.

Consolidated income statement

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Gross revenue	1	72,933	[illegible]
Cost of sales	2	(28,350)	[illegible]
Gross profit		44,583	[illegible]
Administrative expenses		(58,724)	[illegible]
Operating loss		(14,141)	[illegible]
Finance income	5	8	[illegible]
Finance costs	5	(5,329)	[illegible]
Loss before income tax		(19,462)	[illegible]
Income tax (charge)/credit	[illegible]	(97)	[illegible]
Loss for the period		(19,559)	[illegible]
Loss for the period attributable to:			
Owners of the parent		(19,553)	[illegible]
Non-controlling interests		(6)	[illegible]
		(19,559)	[illegible]
Loss per share:			
Basic and diluted loss per share (pence)	10	(5.9)	[illegible]

All amounts relate to continuing operations.

The notes on pages 92 to 119 are an integral part of these consolidated accounts.

The Company has elected to take the exemption under section 408 of the Companies Act of 2006 from presenting the parent Company profit and loss account.

Consolidated statement of comprehensive income

for the year ended 30 June 2022

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Loss for the period	(19,559)	[illegible]
Other comprehensive income/(expense):		
Items that may be subsequently reclassified to the profit or loss:		
Foreign currency translation differences	4,803	[illegible]
Other comprehensive income/(expense) for the period, net of tax	4,803	[illegible]
Total comprehensive expense for the period	(14,756)	[illegible]
Total comprehensive expense for the period attributable to:		
Owners of the parent	(14,748)	[illegible]
Non-controlling interests	(8)	[illegible]
	(14,756)	[illegible]

Consolidated statement of financial position

As at 30 June 2022

	Note	30 June 2022 £'000	30 June 2021 £'000
Assets			
Non-current assets			
Intangible assets – Goodwill	[illegible]	29,893	[illegible]
Intangible assets – Other	[illegible]	8,219	[illegible]
Property, plant and equipment	[illegible]	37,851	[illegible]
Right-of-use assets	[illegible]	20,490	[illegible]
[illegible]		3,554	[illegible]
		100,007	[illegible]
Current assets			
Inventories	[illegible]	986	[illegible]
Trade and other receivables	[illegible]	14,906	[illegible]
Cash and bank balances	[illegible]	4,849	[illegible]
		20,741	[illegible]
Total assets		120,748	[illegible]
Liabilities			
Current liabilities			
Trade and other payables	[illegible]	(14,872)	[illegible]
Borrowings	[illegible]	(21,131)	[illegible]
Lease liabilities	[illegible]	(5,056)	[illegible]
		(41,059)	[illegible]
Non-current liabilities			
Trade and other payables	[illegible]	–	[illegible]
Deferred tax liability	[illegible]	(1,158)	[illegible]
Borrowings	[illegible]	(847)	[illegible]
Lease liabilities	[illegible]	(22,364)	[illegible]
		(24,369)	[illegible]
Total liabilities		(65,428)	[illegible]
Net assets		55,320	[illegible]

	Note	30 June 2022 £'000	30 June 2021 £'000
Equity			
[illegible]	[illegible]	336	[illegible]
[illegible]		185,563	[illegible]
[illegible]		7,862	[illegible]
[illegible]		1,105	[illegible]
[illegible]		(139,522)	[illegible]
Total parent shareholders' equity		55,344	[illegible]
[illegible]		(24)	[illegible]
Total equity		55,320	[illegible]

The financial statements on 92 to 119 were authorised for issue by the Board of Directors on [illegible] December 2022 and were signed on its behalf

Chief Executive

Time Out Group plc
Registered No. [illegible]

Company statement of financial position

As at 30 June 2022

	Note	30 June 2022 £'000	30 June 2021 £'000
Assets			
Non-current assets			
Investments	[illegible]	86,926	[illegible]
		86,926	[illegible]
Current assets			
Trade and other receivables	[illegible]	30,954	[illegible]
		30,954	[illegible]
Total assets		117,880	[illegible]
Net assets		117,880	[illegible]
Equity			
Called up share capital	24	336	[illegible]
Share premium		185,563	[illegible]
Capital redemption reserve		1,105	[illegible]
Retained earnings		(69,124)	[illegible]
Total equity		117,880	[illegible]

The Company loss for the year ended 30 June 2022 was £82.7m (18 months ended 30 June 2021: loss of £66.6m).

The financial statements on pages 92 to 119 were authorised for issue by the Board of Directors on 6 December 2022 and were signed on its behalf

Chief Executive

Time Out Group plc
Registered No: 07440171

Consolidated statement of changes in equity

Year ended 30 June 2022

	Note	Called up share capital £'000	Share premium £'000	Translation reserve £'000	Capital redemption reserve £'000	Retained earnings (Accumulated losses) £'000	Total parent shareholders' equity £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2020		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	82,770	[illegible]	77,897
Changes in equity									
[illegible]						[illegible]	(66,770)	[illegible]	(70,549)
[illegible]				[illegible]			(2,590)	[illegible]	(2,458)
Total comprehensive expense				[illegible]		[illegible]	(69,360)	[illegible]	(73,007)
[illegible]						[illegible]	1,480		1,480
[illegible]						[illegible]	(8,472)	[illegible]	–
[illegible]		[illegible]	[illegible]				62,457		62,457
Balance at 30 June 2021		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	68,875	[illegible]	68,827
Changes in equity									
Loss for the year		-	-			(19,553)	**(19,553)**	(6)	**(19,559)**
Other comprehensive income/(expense)		-		4,805			**4,805**	(2)	**4,803**
Total comprehensive expense				4,805		(19,553)	**(14,748)**	(8)	**(14,756)**
Share-based payments	27	-				1,817	**1,817**		**1,817**
Adjustment arising on change in non-controlling interest						(604)	**(604)**	32	**(572)**
Issue of shares		4				-	**4**	-	**4**
As at 30 June 2022		**336**	**185,563**	**7,862**	**1,105**	**(139,522)**	**55,344**	**(24)**	**55,320**

The notes on pages 92 to 119 are an integral part of these financial statements.

Company statement of changes in equity

Year ended 30 June 2022

	Note	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020		[illegible]	[illegible]	[illegible]	[illegible]	201.412
Changes in equity						
Loss for the 18 month period					[illegible]	(66.621)
Total comprehensive expense					[illegible]	(66.621)
Share-based payments	[illegible]				[illegible]	1.480
Issue of shares		[illegible]	[illegible]			62.457
Balance at 30 June 2021		[illegible]	[illegible]	[illegible]	[illegible]	198.728
Changes in equity						
Loss for the year		–			(82.669)	**(82.669)**
Total comprehensive expense		·	·		(82.669)	***(82.669)***
Share-based payments	27	·			1.817	**1.817**
Issue of shares		4				**4**
Balance at 30 June 2022		**336**	**185.563**	**1.105**	**(69.124)**	**117.880**

The notes on pages 92 to 119 are an integral part of these financial statements.

Consolidated statement of cash flows

Year ended 30 June 2022

	Note	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Cash flows from operating activities			
Cash used in operations		(4,544)	[illegible]
Interest paid		(2,497)	[illegible]
Tax paid		–	[illegible]
Net cash used in operating activities		(7,041)	[illegible]
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,173)	[illegible]
Purchase of intangible assets		(740)	[illegible]
Interest received		2	[illegible]
Net cash used in investing activities		(1,911)	[illegible]
Cash flows from financing activities			
Costs relating to share issues		–	[illegible]
Proceeds from share issue		–	[illegible]
Proceeds from borrowings		254	[illegible]
Repayment of borrowings		(1,505)	[illegible]
Repayment of lease liabilities		(4,035)	[illegible]
Acquisition of minority interest		(203)	
Net cash (used in)/generated by financing activities		(5,489)	[illegible]
(Decrease)/Increase in cash and cash equivalents		(14,441)	[illegible]
Cash and cash equivalents at beginning of period		19,070	[illegible]
Effect of foreign exchange rate changes		220	[illegible]
Cash and cash equivalents at end of period		4,849	[illegible]

The notes on pages 92 to 119 are an integral part of these financial statements.

Notes to the financial statements

The consolidated financial statements of Time Out Group plc and its subsidiaries (the "Group") for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 6 December 2022. Time Out Group plc (the "Company") is a public limited company incorporated in England and Wales whose shares are publicly traded on the Alternative Investment Market. The registered office is located at 1st Floor 172 Drury Lane, London WC2B 5QR.

The Company has taken advantage of the exemption from preparing a cash flow statement under paragraph 8(g) of the disclosure exemptions for qualifying entities included in Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Time Out Group plc consolidated financial statements for the year ended 30 June 2022 contain a consolidated statement of cash flows. The Company is exempt under paragraph 8(k) of the disclosure exemptions included in FRS 101 for qualifying entities from disclosing related party transactions with entities that form part of the Time Out Group plc group of which Time Out Group plc is the ultimate parent undertaking. The Company's financial statements are presented in pounds sterling (£), which is also the Company's functional currency, and all values are rounded to the nearest thousand (£'000) except when otherwise indicated. The Company's financial statements are individual entity financial statements.

The principal activities of the Group are described in the Strategic Report that accompanies these financial statements.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Adjusted EBITDA is profit or loss before interest, taxation, depreciation, amortisation, share based payments, exceptional items and profit/(loss) on the disposal of fixed assets. It is used by management and analysts to assess the business before one-off and non-cash items. A reconciliation of adjusted EBITDA to operating loss is presented in note 4.

Net revenue is calculated as gross revenue less the concessionaires' share of revenue and is further explained in note 4.

Adjusted net debt is cash less borrowings and excludes any finance lease liability recognised under IFRS 16. See note 18.

The consolidated financial statements of Time Out Group plc have been prepared under the historical cost convention except for certain financial liabilities measured at fair value and in accordance with the recognition and measurement criteria of UK adopted International Accounting Standards ("IAS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Company financial statements were prepared in accordance with FRS 101 and the Companies Act 2006. The financial statements are prepared on a going concern basis under the historical cost convention except for certain financial liabilities measured at fair value. The accounting policies which follow in note 2 set out those policies which apply in preparing the financial statements for the year ended 30 June 2022 and have been applied consistently to all periods presented.

The Company has taken advantage of the disclosure exemptions under FRS 101 in respect of:

a. IFRS 3 Business Combinations;
b. IFRS 7 Financial Instruments: Disclosures;
c. IFRS 13 Fair Value Measurement;
d. Share-based payments;
e. Intra Group related party transactions;
f. Related party transactions; and
g. IAS 7 Statement of cash flows.

The financial statements have been prepared under the going concern basis of accounting as the Directors have a reasonable expectation that the Group and Company will continue in operational existence and be able to settle their liabilities as they fall due for the foreseeable future, being a period of not less than one year from the date of approval of the financial statements ("forecast period"). In making this determination, the Directors have considered the financial position of the Group, projections of its future performance and the financing facilities that are in place.

In making this assessment the Directors have considered two scenarios over the forecast period.

The base case assumes a slow but steady period of growth across both Market and Media. Market revenue is assumed to improve driven by Time Out Market Lisbon returning to pre pandemic trading levels and other O&O markets progressing towards steady-state trading levels by the end of the forecast period. Our strong Management Agreement pipeline is also forecast to deliver incremental revenue in the forecast period. Media revenue is assumed to return to pre pandemic levels driven by a focus on high margin digital-first offerings complemented by the return of Live Events. Affiliate and Others revenue. This scenario does assume an appropriate element of cost inflation but does not include the impact of extended global economic uncertainty or further pandemic related restrictions.

The downside case sensitises the base case to assume that the Market Owned & Operated revenue and Media revenue underperforms the base case by 30% while maintaining the base case gross margin, with no further lockdowns and no corresponding reduction in budgeted operating costs over the forecast period. Consistent with the base it also assumes an appropriate amount of cost inflation but does not include the impact of extended global economic uncertainty or further pandemic-related restrictions.

The Directors consider the downside case reduction in revenue for each division to be unlikely given recent performance, however with the uncertainty created by inflationary and recessionary factors this scenario is considered severe but plausible.

As set out earlier, the Group has successfully refinanced the Incus Capital loan facility which was fully settled on 30 November. €5.8m of the new €35.[illegible]m Crestline facility remains undrawn and the agreement allows for the facility to be extended to €4[illegible].5m by mutual consent.

The Board is satisfied that under both scenarios the Group will be able to operate within the level of its current debt and financial covenants and will have sufficient liquidity to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. For this reason, the Group and Company continue to adopt the going concern basis in preparing its financial statements.

During the year ended 30 June 2022, the following standards and guidance were adopted by the Group and had no material impact on the financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform Phase 2.

The Group financial statements consolidate the financial statements of Time Out Group plc and all its subsidiary undertakings drawn up to 30 June each year.

As permitted by S408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £82.7m (2021: £[illegible]m loss). The parent Company is primarily a holding company and had minimal cash flows during the year. It did not hold any cash or cash equivalents at the beginning or end of the year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the Group financial statements the acquisition method is adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are consolidated for the periods from or to the date on which control is passed. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred and presented as exceptional items.

Notes to the financial statements continued

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated on consolidation. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Transactions with non controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.
The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of key management personnel, as identified in the Strategic Report, that makes strategic decisions.

The functional and presentational currency of the Group is pound sterling. Assets and liabilities of subsidiaries with a functional currency which is a foreign currency are translated into sterling at rates of exchange ruling at the end of the financial year and the result of foreign subsidiaries are translated at the average exchange rate for the year. All transactions denominated in foreign currency are translated at the rate of exchange ruling at the time of the transaction.

All foreign exchange differences are taken to the income statement in the year in which they arise. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate. Upon the translation of any subsidiary's results for the year and financial position at any given year end, the foreign exchange differences which may arise are recognised directly in other comprehensive income as currency translation differences.

The cost of property, plant and equipment includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment – over three years on a straight line basis

Fixtures and fittings – over five years on a straight line basis

Leasehold improvements – over the lease term or useful life, whichever is shorter

The Group operates in jurisdictions which have set useful lives for certain types of assets, and where different, local guidelines override the Group policies mentioned above. However, the Group confirms that this treatment does not materially change the accounts.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Time Out Group plc's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each cash generating unit ("CGU") that is expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

When the ownership of an acquired company is less than 100%, the non controlling interest is measured at either the proportion of the recognised net assets attributable to the non controlling interest or at the fair value of the acquired company at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill.

Trademarks and copyrights

Trademark and copyright assets are amortised over a period of 15 years from the month of acquisition.

Development costs

Development costs comprising costs incurred relating to websites and other digital platform elements are written off over a period of two, three or four years, depending on the relevant project. The cost of internally generated and acquired technology is recognised as an intangible asset providing it satisfies all of the conditions set out in the research and development policy below. Assets are subsequently measured and amortised on a straight-line basis over the useful economic lives, from the month in which the expenditure is incurred.

Customer relationships and other intangible assets

These intangible assets are comprised of customer and advertiser relationships and internally generated software related to the US business, acquired in 2014, reacquired trade name rights and customer relationships relating to the Portuguese businesses acquired in 2015 and 2016 respectively, as well as those relating to the acquisition of Australia and Spain in 2018.

The fair value of these assets was determined by agreement between the Directors and an independent valuation consultant, and was conducted in order to comply with IFRS 3, 'Business Combinations'. These assets are amortised over five years (internally generated software and customer relationships), 15 years (advertiser relationships) or two years (reacquired trade name rights).

Expenditure on the research phase of an internal project is recognised as an expense in the period in which it is incurred. Development costs incurred on specific projects are capitalised when all of the following conditions are satisfied:

- completion of the asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the asset and use or sell it;
- the Group has the ability to use or sell the asset and it will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee (other than Director) costs incurred along with third party cost

Non-financial assets that are not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows ('CGUs'). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and that the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants, and they are credited to the income statement on a straight line basis over the expected lives of the related assets.

During the year the Group has utilised the Coronavirus Job Retention Scheme, in which the Government reimbursed 80% of the wages of certain employees who were asked to stop working (furloughed) during Covid-19 but who were retained as employees. These grants have been credited against Staff costs (note 5).

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the financial statements continued

Classification of financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss; loans and receivables; and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise of "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item;

for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other gains and losses" line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;

for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item; and

for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in financial assets that are measured at amortised cost or at FVTOCI, trade receivables and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading; or (iii) it is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not: (i) contingent consideration of an acquirer in a business combination, (ii) held for trading; or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

Investments held as fixed assets are stated at cost less provision for impairment. The Company assesses these investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete items. Inventories are composed of raw materials and goods held for resale. Cost is determined on a first in, first out (FIFO) method. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and bank balances comprises cash and cash equivalents, being cash at bank and in hand and short term deposits with a maturity of three months or less, and monies held in restricted accounts and deposits which represent cash held by the Group in accounts with conditions that restrict the use of these monies by the Group and, as such, does not meet the definition of cash and cash equivalents.

Notes to the financial statements continued

Ordinary shares are classified as equity, only to the extent that they do not meet the definition of a financial liability. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities.

All interest-bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre payment for liquidity services and amortised over the period to which it relates.

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

The charge for taxation is based on profits for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for any deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is the deferred tax liability not recognised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is no intention to settle the balances on a net basis.

Tax grants related to research and development expenditure are recognised under IAS 12 against expenditure and are recognised when reasonably certain estimates can be made.

The Group contributes to certain employees' personal pension plans on a defined contribution basis. A defined contribution plan is a pension plan under which the Group and employee pay fixed contributions, on a mandatory, contractual or voluntary basis depending on the location, to a third party financial provider. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the income statement when due.

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as an interest expense.

Revenue, which is stated net of sales tax, represents the amounts derived from the sale of goods and services which fall within the Group's ordinary activities.

- Advertising revenue is recognised at the time the advertisement is published.
- Subscription and Premium Profiles revenue is recognised evenly over the length of each subscription.
- Circulation revenue is recognised at the time of sale. Provision is made for returns of distributor returns.
- Ticket revenues for Time Out events are recognised in the month of the event. Tickets for Time Out offers and commissions for sales of tickets to external events and experiences are recognised at the point of sale.
- Licence royalty revenue is recognised over the contract period in accordance with the substance of the underlying agreement. Where these revenues are uncertain, they are recognised only on receipt.
- Market related revenue is predominantly turnover related rent from restaurants in the markets and is recognised as the turnover is earned by the sub-letting restaurants.

Interest income and expenses are recognised using the effective interest method.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is presented as a separate line in the consolidated statement of financial position.

Notes to the financial statements continued

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Exceptional items are disclosed separately in the financial statements where, given their nature or size, it is necessary to do so to provide further understanding of the financial performance of the Group. Exceptional items mainly relate to costs associated with a material restructuring (including termination payments and associated legal fees), costs relating to acquisitions, including legal and consultancy fees and the revaluation of minority interests.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions and judgements concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions, estimates and judgements on parameters available when the consolidated statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

Such changes are reflected in the assumptions when they occur.

a) Impairment of goodwill and intangibles

The Group tests annually whether goodwill has suffered any impairment i.e. when the carrying value of a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model, where appropriate. The cash flows are derived from the business plan for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the long term growth rate used. The estimation uncertainty exists here due to a number of estimation factors applied to any model used.

b) Capitalisation of development costs

Careful judgement by the Directors is applied when deciding whether the recognition requirements for capitalised development costs have been met under IAS 38 'Intangible Assets'. Before capitalisation commences on a specific project, a business plan is prepared and approved in order to ascertain that the project meets all criteria of the standard as well as to determine the asset's useful life. Judgements and assumptions are made using all information known at the end of the reporting period.

c) Deferred tax

The Group has an unrecognised deferred tax asset of £44.7m in relation to losses available to offset future tax liabilities. The Group makes a judgement as to the recognition of a deferred tax asset in relation to these losses based on the expected medium term profitability. The Group has historically been in a taxable loss position. However, with the roll out of the Time Out Market locations, the short to medium term profitability is reviewed at each reporting period to assess the potential recognition of a deferred tax asset.

d) Capitalisation of pre-opening expenditure

When investing in the expansion of new Time Out Market sites, the Group makes a judgement as to when the new site has passed feasibility and reached development stage. During feasibility, all costs associated with the new site are expensed. When a site reaches development stage, which is normally determined following the agreement of Heads of Terms for a new lease, applicable costs incurred are capitalised as an item of property, plant and equipment. Impairment reviews are performed on the pre-opening expenditure balances at least every six months.

e) Impact of Covid-19

The Covid-19 pandemic had an adverse impact on the Group's trading during the year. Covid related restrictions have been or are being removed in the majority of territories and we have seen a recovery to more normal levels of trading. However, there can be no guarantees that restrictions could be reimposed if the pandemic re-emerges.

The following new standards and amendments to standards and interpretations are effective for accounting periods beginning after 1 January 2022 and as such have not been adopted in these financial statements.

IFRS 3 Reference to the Conceptual Framework

IAS 16 Property, Plant and Equipment — Proceeds before Intended Use

IAS 37 Onerous Contracts — Cost of Fulfilling a Contract

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

The significant exchange rates to UK Sterling for the Group are as follows:

	2022		2021	
	Closing rate	**Average rate**	Closing rate	Average rate
US dollar	**1.21**	**1.34**	[illegible]	[illegible]
Euro	**1.16**	**1.18**	[illegible]	[illegible]
Hong Kong dollar	**9.52**	**10.45**	[illegible]	[illegible]
Singapore dollar	**1.69**	**1.82**	[illegible]	[illegible]
Australian dollar	**1.76**	**1.84**	[illegible]	[illegible]
Canadian dollar	**1.56**	**1.69**	[illegible]	[illegible]

Notes to the financial statements continued

In accordance with IFRS 8, the Group's operating segments are based on the figures reviewed by the Board, which represents the chief operating decision maker. The Group comprises two operating segments:

Time Out Market – this includes Time Out's share of concessionaires' sales, revenue from Time Out operated bars and other revenue which includes retail, events and sponsorship.

Time Out Media – this includes the sale of digital and print advertising, local marketing solutions, live events tickets and sponsorship, commissions generated by e-commerce transactions, and fees from our franchise partners.

	Time Out Market £'000	Time Out Media £'000	Corporate costs £'000	Total £'000
Gross revenue	46,454	26,479	-	72,933
Concessionaire shares	(17,530)			(17,530)
Net revenue	28,924	26,479		55,403
Gross profit	24,081	20,502	-	44,583
Administrative expenses	(29,921)	(22,728)	(6,075)	(58,724)
Operating loss	**(5,840)**	**(2,226)**	**(6,075)**	**(14,141)**
Operating loss	(5,840)	(2,226)	(6,075)	(14,141)
Amortisation of intangible assets	14	2,526		2,540
Depreciation of property, plant and equipment	6,425	150		6,575
Depreciation of right-of-use assets	2,017	48		2,065
Loss on disposal of fixed assets	–	47	-	47
EBITDA	2,616	545	(6,075)	(2,914)
Share-based payments	–		1,817	1,817
Exceptional items	(391)	1,159	1,548	2,316
Adjusted EBITDA	**2,225**	**1,704**	**(2,710)**	**1,219**
Finance income				8
Finance costs				(5,329)
Loss before income tax				**(19,462)**
Income tax charge				(97)
Loss for the year				**(19,559)**

	Time Out Market £'000	Time Out Media £'000	Corporate costs £'000	Total £'000
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]			[illegible]
Net revenue	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operating loss	**(22,549)**	**(36,011)**	**(1,987)**	**(60,547)**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	111		[illegible]
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]			[illegible]
Adjusted EBITDA loss	**(8,418)**	**(7,528)**	**(1,622)**	**(17,568)**
[illegible]				[illegible]
[illegible]				[illegible]
Loss before income tax				**(71,056)**
[illegible]				[illegible]
Loss for the 18-month period				**(70,549)**

Revenue is analysed geographically by origin as follows:

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Europe	25,826	[illegible]
Americas	41,703	[illegible]
Rest of World	5,404	[illegible]
	72,933	[illegible]

The Group earns its revenues by selling both goods and services. These can be analysed as follows:

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Advertising sales	21,819	[illegible]
[illegible] & others	3,986	[illegible]
Franchising	674	[illegible]
Time Out Media	26,479	[illegible]
[illegible]	41,092	[illegible]
Management fees	5,362	[illegible]
Time Out Market	46,454	[illegible]
	72,933	[illegible]

There are no revenues from any single customer that exceed 10% of the Group's revenues.

The Group has applied the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures' in these annual results.

In the context of these results, an alternative performance measure (APM) is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS. The reconciliation of adjusted EBITDA loss to operating loss is contained within the segmental reporting note above.

Gross revenue represents the total value of all food, beverage and retail sales transactions in relation to the North American markets, the Group's share of sales transactions in relation to the Lisbon market and any Management Agreement fees. Net revenue is calculated as gross revenue less the concessionaires' share of revenue.

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Wages and salaries	20,066	[illegible]
Social security costs	2,625	[illegible]
Other pension costs	482	[illegible]
Share-based payments	1,817	[illegible]
	24,990	[illegible]

Included in the above are amounts credited to the related costs for grants received under the Coronavirus Job Retention Scheme of £38k (2021: £730k).

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

	Year ended 30 June 2022 Number	18 months ended 30 June 2021 Number
[illegible]	191	[illegible]
[illegible]	96	100
[illegible]	14	18
[illegible]	71	[illegible]
[illegible]	45	[illegible]
[illegible]	19	[illegible]
	436	[illegible]

The remuneration of the Executive Directors and Officers who are the key management personnel of the Group, is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures'. Key management personnel is defined as the Group Chief Executive Officer and the Two Co-Chief Executive Officers, Time Out Market.

Notes to the financial statements continued

Further information about the remuneration of individual Executive Directors is provided in the Remuneration Report on page 72.

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Short term employee benefits	1,425	[illegible]
Post employment benefits	32	[illegible]
Termination benefits	369	[illegible]
Share based payments	2,055	
	3,881	[illegible]

Information regarding the highest paid Director is below

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Short term employee benefits	103	[illegible]
Post employment benefits	9	[illegible]
Termination benefits	369	
Share based payments exercised	2,055	
	2,536	[illegible]

Costs/(income) are analysed as follows

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Restructuring costs	1,958	[illegible]
Gain on recognition/derecognition of right of use asset and related lease liability	(475)	[illegible]
Time Out Market Waterloo exit costs	–	[illegible]
Discontinued corporate transaction costs	833	
Property lease exit costs	–	[illegible]
Fundraising costs	–	[illegible]
Write off of deferred financing costs	–	[illegible]
Impairment of goodwill	–	[illegible]
	2,316	[illegible]

The restructuring costs of £2.0m in the year relate to redundancy costs following the discontinuation of print in the UK and the establishment of a new senior management team (2021: £1.2m).

The gain on recognition of right-of-use asset and related lease liability arose on the modification of the Time Out Lisbon lease. In the prior period, the gain on derecognition of lease assets and liabilities arose on the early exit of the media property lease in New York and an amendment to the Time Out Market Miami lease.

Discontinued corporate transaction costs of £0.8m in the year relate to an aborted corporate transaction.

In the prior period it was decided not to proceed with the development of Time Out Market Waterloo due to the impact of the Covid-19 pandemic. The total capitalised costs related to the development of this market were written off.

In April 2021, in the prior period, following a capital fundraise, the balance of the Oakley Capital Investments Limited loan note balance was repaid in full. The related unamortised deferred financing costs were written off.

See note 11 Intangible Assets – Goodwill regarding the prior period impairment of goodwill.

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Concessionaires' share of revenue	17,530	[illegible]
Cost of inventories recognised as cost of sales	4,073	[illegible]
Staff costs	24,990	[illegible]
Depreciation of property, plant and machinery	6,575	[illegible]
Depreciation of right of use asset	2,065	[illegible]
Amortisation of intangible assets	2,540	6,168
Impairment of goodwill	–	20,000
Operating lease rentals – land and buildings	562	[illegible]
(Gain)/loss on foreign exchange	(627)	[illegible]
Other expenses	29,366	[illegible]
	87,074	[illegible]
Analysed as:		
Charged to cost of sales	28,350	14,727
Administrative expenses	59,408	[illegible]
	87,758	107,371
Staff costs capitalised	(684)	[illegible]
	87,074	[illegible]

An analysis of the fees paid to the Group's Auditors is provided below

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
[illegible]	310	[illegible]
[illegible]	26	[illegible]
	336	[illegible]
Fees payable to the Company's Auditors for non-audit services		
[illegible]	–	[illegible]
	336	[illegible]

Audit fees of the Group and Company are borne by Time Out England Limited, a subsidiary company. Prior period fees include £50,000 billed in respect of the 2019 audit.

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
[illegible]	2	[illegible]
[illegible]	6	
	8	[illegible]

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
[illegible]	2,405	[illegible]
[illegible]	68	[illegible]
[illegible]	23	[illegible]
[illegible]	2,605	[illegible]
[illegible]	228	[illegible]
[illegible]	–	[illegible]
[illegible]	–	[illegible]
	5,329	[illegible]

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Current tax		
[illegible]	249	[illegible]
[illegible]	–	
Deferred tax		
[illegible]	(152)	[illegible]
[illegible]	–	
	97	[illegible]

Notes to the financial statements continued

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Loss on ordinary activities before income tax	(19,462)	[illegible]
Loss on ordinary activities multiplied by the domestic tax rates applicable to profits in the respective countries	(3,835)	[illegible]
Effects of:		
Expenses not deductible for tax purposes	1,569	[illegible]
Income not taxable	(1,576)	[illegible]
Unrecognised tax losses in the year	5,012	[illegible]
Other tax adjustments, reliefs and transfers	–	[illegible]
Utilisation of tax losses	(921)	[illegible]
Deferred tax movements	(152)	[illegible]
Total tax expense (income)	97	[illegible]

Potential deferred tax assets of £44.7m (2021: £37.4m) relating to timing differences on property, plant and equipment, short-term timing differences and losses carried forward have not been recognised as the Directors take an approach not to recognise any deferred tax asset until such time as there is greater visibility of profitability in the medium term.

The Group has deferred tax liabilities relating to the acquired intangible assets as follows:

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
[illegible]	1,185	[illegible]
[illegible]	–	
[illegible]	(152)	[illegible]
[illegible]	125	[illegible]
	1,158	[illegible]

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of shares during the year.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion for all dilutive potential shares. All potential ordinary shares including options and deferred shares are antidilutive as they would decrease the loss per share, and are therefore not considered. Diluted loss per share is equal to basic loss per share.

	Year ended 30 June 2022 Number	18 months ended 30 June 2021 Number
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	334,198,517	[illegible]
	£'000	£'000
Loss from continuing operations for the purpose of loss per share	(19,553)	[illegible]
	Pence	Pence
Basic and diluted loss per share	(5.9)	[illegible]

	30 June 2022 £'000	30 June 2021 £'000
Cost		
At 1 July [illegible]	**28,911**	[illegible]
Impairment	**–**	[illegible]
Exchange differences	**982**	[illegible]
At 30 June	**29,893**	[illegible]

The carrying value of the goodwill is analysed by business segment as follows:

	30 June 2022 £'000	30 June 2021 £'000
Time Out Media	**22,001**	[illegible]
Time Out Market	**7,892**	[illegible]
	29,893	[illegible]

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired. Goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs") that is expected to benefit from the synergies of the combination. This represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

The recoverable amount of each CGU has been determined based on value in use calculations. These calculations use pre tax cash flow projections based on a detailed bottom up budget for the initial year. A further four years are forecast using relevant growth rates and CGU specific operational and financial assumptions. Cash flows beyond the five year period are extrapolated into perpetuity using an estimated long term growth rate of [illegible] (2021: [illegible]). The cash flows are then discounted using a weighted average cost of capital of 14.5% (2021: 10[illegible]).

Using this methodology, the recoverable amount for Media and Market CGUs exceed the total carrying value by £6.5m and £59.1m respectively.

The Group has also made further disclosure in accordance with paragraph 134 of IAS 36, where a reasonably possible change in the key assumptions may result in an impairment. If the pre tax discount rate applied to cash flows for the Media and Market CGU were 1% higher than the current estimate of 14.5%, the Media and Market CGU headroom would reduce to £2.9m and £49.8m respectively, resulting in no impairment. For the recoverable amount to be equal to the carrying value of the CGUs the discount rate would need to be increased to 16.5% for Media and 25.[illegible]% for Market.

The impairment recorded in the prior period of £20.0m in the Media CGU followed the significant and adverse impact of Covid 19 on the activities of the CGU and a strategic decision to discontinue print operations in most territories.

The Company has no goodwill (2021: £nil).

Notes to the financial statements continued

	Trademarks and copyright £'000	Development costs £'000	Service concession arrangements £'000	Customer relationships £'000	Other intangible assets £'000	Total £'000
Cost						
At 1 January 2020	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	32,100
Additions	[illegible]	[illegible]			[illegible]	2,145
Disposals					[illegible]	(2)
Exchange differences	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(419)
At 30 June 2021	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	33,824
Reclassifications			(1,323)		(4)	**(1,327)**
Additions	19	714			7	**740**
Disposals	–	(9,450)				**(9,450)**
Exchange differences	541	35	3	30	818	**1,427**
At 30 June 2022	**5,877**	**5,348**	**–**	**4,780**	**9,209**	**25,214**
Accumulated Amortisation						
At 1 January 2020	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17,572
Charge for the period	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6,168
Exchange differences	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(169)
At 30 June 2021	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	23,571
Charge for the year	348	1,662		119	411	**2,540**
Reclassification	-		(439)		(4)	**(443)**
Disposals		(9,411)		-	-	**(9,411)**
Exchange differences	272	35	(1)	20	412	**738**
At 30 June 2022	**2,992**	**3,858**	**–**	**4,189**	**5,956**	**16,995**
Net book value						
At 30 June 2022	**2,885**	**1,490**	**–**	**591**	**3,253**	**8,219**
At 30 June 2021	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10,253
At 1 January 2020	[illegible]	[illegible]	[illegible]	1,802	[illegible]	14,528

The Company has no intangible assets (2021: £nil).

	Fixtures and Fittings £'000	Computer equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 January 2020	[illegible]	[illegible]	[illegible]	54,645
Additions	[illegible]	[illegible]	[illegible]	3,108
Disposals	[illegible]	[illegible]	[illegible]	(1,099)
Exchange differences	[illegible]	[illegible]	[illegible]	(2,183)
At 30 June 2021	[illegible]	[illegible]	[illegible]	54,471
Additions	341	263	569	**1,173**
Disposals	(246)	(278)		**(524)**
Exchange differences	1,241	244	4,798	**6,283**
At 30 June 2022	**11,280**	**3,210**	**46,913**	**61,403**
Accumulated Depreciation				
At 1 January 2020	[illegible]	[illegible]	[illegible]	5,882
Charge for the period	[illegible]	[illegible]	[illegible]	10,449
Eliminated on disposal	[illegible]	[illegible]	[illegible]	(280)
Exchange differences	[illegible]	[illegible]	[illegible]	(617)
At 30 June 2021	[illegible]	[illegible]	[illegible]	15,434
Charge for the year	2,021	560	3,994	**6,575**
Eliminated on disposal	(229)	(273)		**(502)**
Exchange differences	693	208	1,144	**2,045**
At 30 June 2022	**6,796**	**2,690**	**14,066**	**23,552**
Net book value				
At 30 June 2022	4,484	520	32,847	**37,851**
At 30 June 2021	[illegible]	[illegible]	[illegible]	39,037
At 31 December 2020	[illegible]	[illegible]	[illegible]	48,763

	Buildings £'000	Total £'000
Cost		
At 1 January 2020	[illegible]	31,344
Additions	[illegible]	1,660
Disposals	[illegible]	(10,924)
Exchange differences	[illegible]	(1,028)
At 30 June 2021	[illegible]	21,052
Additions	1,219	**1,219**
Transfers[1]	884	**884**
Modifications	1,170	**1,170**
Exchange differences	3,018	**3,018**
At 30 June 2022	**27,343**	**27,343**
Accumulated Depreciation		
At 1 January 2020	[illegible]	3,035
Charge for the period	[illegible]	4,952
Eliminated on disposal	[illegible]	(3,826)
Exchange differences	[illegible]	(140)
At 30 June 2021	4,021	4,021
Charge for the year	2,065	**2,065**
Exchange differences	767	**767**
At 30 June 2022	**6,853**	**6,853**
Net book value		
At 30 June 2022	**20,490**	**20,490**
At 30 June 2021	[illegible]	17,031
At 31 December 2020	[illegible]	28,309

[1] [illegible]

Further analysis of lease liabilities is presented in note [illegible]

Notes to the financial statements continued

	2022 £'000	2021 £'000
Interest expense on lease liabilities	**2,605**	[illegible]
Expense relating to short-term leases	**562**	[illegible]
Expense relating to leases of low-value assets	**116**	[illegible]

The total cash outflow for leases amounts to £4.0m (2021: £6.2m).

	Shares in group undertakings 2022 £'000	2021 £'000
Cost and net book value		
[illegible]	**77,496**	[illegible]
Disposals	**(10,654)**	
Additions	**122,911**	
Impairment	**(102,827)**	[illegible]
At 30 June	**86,926**	[illegible]

During the year the Company impaired the carrying value of its investment in Time Out Group MC Limited to reflect the current recoverable amount. During the prior 18 month period ended 30 June 2021 the Company impaired the carrying value of its investments in Print & Digital Publishing Pty Ltd and Time Out New York Limited to reflect the current recoverable amount.

During the year the Group was reorganised, as a result of the reorganisation Time Out Digital Limited is now directly owned by Time Out Group plc. Time Out New York Limited and Time Out Spain Media SL are now indirectly owned.

As at 30 June 2022, the Company held direct and indirect investments in the following undertakings; all are accounted for using the acquisition method:

Name of company	*Holding*	*Nature of business*	**Registered address**	**Country of registration (or incorporation)**	**Registered number**
Direct subsidiaries:					
Time Out Group MC Limited	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	07440310
Time Out Digital Limited	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	[illegible]
Print & Digital Publishing Pty	100%	Publishing & e-commerce	Suite 4A3, 410 Elizabeth Street, Surry Hills NSW 2010	Australia	
Indirect subsidiaries:					
Time Out Group BC Limited	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	07440330
Time Out Nominees Limited	100%	Dormant	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	[illegible]
Time Out England Limited	100%	Publishing & e-commerce	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	01782049
Time Out Market Limited	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	[illegible]
Time Out Market London Limited	100%	Operator of cultural market	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	10359194
Teamworks Limited	100%	Dormant	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	[illegible]
TONY HC Corp	100%	Holding company	211 East 43rd Street, Suite 1901, New York, NY 10017	United States of America	

Name of company	Holding	Nature of business	Registered address	Country of registration (or incorporation)	Registered number
Indirect subsidiaries:					
Time Out New York MC LLC	100%	Holding company	211 East 43rd Street, Suite 1901, New York, NY 10017	United States of America	
Time Out Market US Holdings LLC	100%	Holding company	211 East 43rd Street, Suite 1901, New York, NY 10017	United States of America	
Time Out America LLC	100%	Publishing & e-commerce	211 East 43rd Street, Suite 1901, New York, NY 10017	United States of America	
Time Out Market Miami LLC	100%	Operator of cultural market	[illegible] Avenue, Miami Beach, Florida 33139	United States of America	
Time Out Market Chicago LLC	100%	Operator of cultural market	916 West Fulton Market, Chicago IL 60607	United States of America	
Time Out Market Boston LLC	100%	Operator of cultural market	Landmark Center, 401 Park Drive, Boston, MA 02215	United States of America	
Yplan Inc	100%	Dormant	211 East 43rd Street, Suite 1901, New York, NY 10017	United States of America	
Time Out Portugal, Empresa [illegible] LDA	100%	Publishing & e-commerce	[illegible] Lisboa	Portugal	
MC-Mercados da Capital, LDA	100%	Operator of cultural market	Rua D. Luis, no 19-2 andar 1200 149 Lisboa	Portugal	
Time Out Market Porto, LDA	90%	Operator of cultural market	[illegible] Lisboa	Portugal	
Time Out Hong Kong Company Limited	100%	Publishing & e-commerce	Room G11, Shop 4-7, 158A Connaught Road West, Sai Ying Pun, Hong Kong	Hong Kong	
Time Out Media Singapore Pte Limited	100%	Publishing & e-commerce	[illegible] Street, Singapore [illegible]	Singapore	
Time Out Market Central London Limited	100%	Operator of cultural market	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	11634050
Time Out Market New York LLC	100%	Operator of cultural market	55 Water Street, 3rd Floor, Brooklyn, NY [illegible]	United States of America	
Time Out Market Canada Holdings Inc	100%	Holding company	200-1000 rue De La Gauchetiere O Montreal (Québec) H3B4W5	Canada	
Concept TOM Montreal Inc	100%	Operator of cultural market	[illegible] rue De La Gauchetiere O Montreal (Québec) H3B4W5	Canada	
Time Out Market Prague SRO	100%	Operator of cultural market	Revolucni 1, 110 Prague 1	Czech Republic	
Time Out Market Dubai Limited	100%	Operator of cultural market	[illegible]	England and Wales	[illegible]
Time Out New York Limited	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	02977606
Time Out Spain Media SL	100%	Publishing & e-commerce	[illegible]	Spain	

All subsidiaries' reporting periods are consistent with the Group and all subsidiary undertakings are included in the consolidation.

In October 2021 a further 14.9% in Time Out Market Porto LDA was acquired for €[illegible], increasing the Group share to 90%. The dormant companies Time Out Magazine Limited and Time Out International Limited were dissolved on [illegible] April 2022.

During the prior period the remaining 15% of Time Out Market Limited was acquired for a de minimis consideration and Time Out Chicago LLC a 100% owned direct subsidiary was dissolved.

All of the dormant companies listed above are exempt from preparing individual financial statements by virtue of s394A of the Companies Act 2006. These companies are also exempt from filing individual financial statements by virtue of s448A of the Companies Act 2006.

The subsidiary companies listed above, that are incorporated in England and Wales, have claimed an exemption from audit by virtue of s479A of the Companies Act 2006.

Notes to the financial statements continued

	2022 £'000	2021 £'000
Raw materials	14	[illegible]
Finished goods	972	[illegible]
	986	[illegible]

The Company has no inventories (2021: £nil).

Current:	2022 £'000	2021 £'000
Trade debtors (net)	8,291	[illegible]
Other debtors	2,466	[illegible]
Prepayment and accrued income	4,149	[illegible]
	14,906	[illegible]

Non-current:	2022 £'000	2021 £'000
Other debtors	3,554	[illegible]
	3,554	[illegible]

The fair values of all financial assets of the Group equate to their carrying value.

As at 30 June 2022, Group trade receivables of £1.5m (2021: £2.2m) were past due but not impaired. The past due receivables relate to a number of independent customers for whom there is no recent history of default. The ageing of these trade receivables is over three months (2021: over three months).

As at 30 June 2022, Group trade receivables of £1.4m (2021: £0.7m) were impaired and provided for. The ageing analysis of these trade receivables is over three months (2021: over three months).

Movements on the Group provision for the impairment of trade receivables are as follows:

	2022 £'000	2021 £'000
At 1 July 2021 (1 July 2020)	741	[illegible]
Provision for receivables impairment	1,340	[illegible]
Receivables written off during the period as uncollectable	(710)	[illegible]
Unused amounts reversed	(34)	[illegible]
Exchange differences	40	[illegible]
At 30 June	1,377	[illegible]

The creation and release of any provision for impaired receivables have been included in Administrative Expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

	2022 £'000	2021 £'000
Amounts owed by group undertakings	30,953	121,183
Other debtors	1	51
	30,954	121,232

All amounts due from Group companies relate to loans which are non interest bearing, unsecured and repayable on demand. During October 2021 the Company settled amounts owed by Group undertakings through a corporate reorganisation.

	2022 £'000	2021 £'000
Cash	4,849	[illegible]
Borrowings	(21,978)	[illegible]
Adjusted net debt	(17,129)	[illegible]
IFRS 16 [illegible]	(27,420)	[illegible]
Net debt	(44,549)	[illegible]

	2022 £'000	2021 £'000
Current:		
Trade creditors	2,923	[illegible]
Social security and other taxes	413	[illegible]
Other creditors	2,498	[illegible]
Accruals and deferred income	7,976	[illegible]
Corporation tax payable	122	[illegible]
Value Added Tax	940	[illegible]
	14,872	[illegible]
Non-current:		
Other creditors	–	[illegible]
	–	[illegible]

Other creditors includes pension liabilities.

The non-current other creditors in the prior period related to a lease concession for the Lisbon market expiring 2031. In the current year the lease was modified and is now recognised within lease liabilities.

	2022 £'000	2021 £'000
Current:		
Bank loans	21,131	[illegible]
	21,131	[illegible]
Non-current:		
Bank loans	847	[illegible]
	847	[illegible]

Borrowings repayable as follows:

	2022 £'000	2021 £'000
Within one year	21,131	[illegible]
Between one and two years	300	[illegible]
Between two and five years	547	[illegible]
Over five years	–	[illegible]
	21,978	[illegible]

The fair value of all financial liabilities is not materially different from the carrying value.

The bank loans comprise:

- a loan provided by a local Urban Development Fund as part of the Joint European Support for Sustainable Investment in City Areas ("JESSICA") initiative of £0.[illegible]m (2021: £0.8m), charged at a rate of the six-month EURIBOR rate plus 1.75% repayable in instalments to 2024;
- a term loan facility of £20.8m (2021: £19.0m) at a rate of 11% above EURIBOR, fully repayable in November 2022. The facility has a covenant based on the rolling 12-month EBITDA of the Time Out Lisbon Market which has been formally waived through to November 2022; and
- a bank loan of £0.[illegible]m (2021: £0.3m) with interest charged at a rate of 3%, repayable in monthly instalments to June 2027.

On [illegible] August, the Group agreed an unsecured loan facility of up to £8.0 million with Oakley Capital Investments Limited ("OCIL"). The drawn balance on this facility as at 30 November 2022 was £[illegible]m and has been converted to a loan note ("OCIL Loan Note") and extended to 31 December 2023. Interest will be charged at a 90-day average SONIA rate plus 10% per annum, with an arrangement fee of [illegible] and an exit premium.

On [illegible] November 2022, the Group agreed a new €35.0m secured four-year term loan facility with Crestline Europe LLP ("Crestline facility") which will be used to refinance the [illegible] Capital Facility. The facility has a term of four years, with the right to settle in full after two years. Interest may be capitalised or paid in cash at the election of the Company during the first year at a rate of [illegible] plus 3-month EURIBOR and from the second year onwards interest will be paid in cash at a rate of [illegible] plus 3-month EURIBOR. There will separately be an exit premium payable upon full repayment of the facility, calculated by reference to the principal amount drawn. The facility is subject to quarterly financial covenants based on minimum liquidity levels (quarterly testing commencing on 31 December 2022) and target leverage ratio (quarterly testing commencing on 30 June 2023).

Notes to the financial statements continued

	2022 £'000	2021 £'000
Analysed as:		
Current	5,056	[illegible]
Non-current	22,364	[illegible]
	27,420	[illegible]

	2022 £'000	2021 £'000
Maturity analysis:		
Year one	–	
Year two	–	
Year three	337	
Year four	–	
Year five	864	
After five years	26,219	[illegible]
	27,420	[illegible]

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within Group finance.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group is exposed to foreign exchange risk as it operates in overseas markets. The Group's realised loss on foreign exchange for the year was £84,000 (2021: £25,000 loss). The Group does not hedge its foreign currency risk as the majority of the Group's receivables, payables and borrowings are denominated in the functional currency of the relevant entity. Consequently, there are no material currency exposures to disclose (2021: £nil).

A sensitivity analysis was conducted at the end of the year ended 30 June 2022 in order to understand the exposure of the Group's income statement to currency fluctuations. The analysis used the actual monthly average rates and appreciated/depreciated each of the rates by 10%. The main assumptions revolve around this 10% adjustment to the rates which was applied linearly across the months instead of for a specific time.

The effects of the analysis showed that if the euro and US dollar had appreciated by 10% during the year, reported revenue would be £79.0m and the adjusted EBITDA would be £1.8m. If, conversely, the euro and US dollar had depreciated by 10% during the year, reported revenue would be £66.9m and adjusted EBITDA would be £0.7m.

Credit risk refers to *the risk that a counterparty will default on its contractual obligations resulting* in a financial loss to the Group. In order to minimise this risk the Group endeavours to only deal with companies which are demonstrably creditworthy. The maximum exposure to credit risk is the value of the outstanding trade receivables. The management do not consider that there is any concentration of risk within trade receivables.

The Group puts provisions in place for specific known bad debts. In addition, further provisions are made based on historical customer payment trends, current local market conditions and the normal average time taken to pay in each individual country. An analysis of the Group's trade receivables and provision for bad debts is included in note 17. The maximum credit risk exposure of the Group is the gross carrying value of each of its financial assets.

As well as credit risk on accounts receivable balances with customers, credit risk arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only reputable institutions with a strong, independently rated credit rating are used.

Cash flow forecasting is performed by the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs whilst maintaining sufficient headroom to meet any repayment requirements.

The maturity profile of the Group's borrowings is set out in note 20.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 30 June 2022	Within one year £'000	Between one and two years £'000	Between two and five years £'000	Over five years £'000	Total £'000
Borrowings	21,131	300	547	-	21,978
Lease liabilities	5,056	4,876	14,528	19,186	43,646
Trade and other payables	14,872	–	–	–	14,872
	41,059	5,176	15,075	19,186	80,496

As at 30 June 2021	Within one year £'000	Between one and two years £'000	Between two and five years £'000	Over five years £'000	Total £'000
Borrowings	[illegible]	[illegible]	[illegible]		
Lease liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade and other payables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	21,771	23,129	22,044	21,252	88,196

The Group's exposure to interest rates is low as the majority of our debt is at fixed interest rates. The Group has not completed a sensitivity analysis for this risk because the level of floating rate debt would result in an immaterial impact to the accounts.

The Group's capital management objective is to ensure the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders. To meet this objective the Group reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Group.

The capital structure of the Group consists of total parent shareholders' equity as set out in the Consolidated Statement of Changes in Equity. All working capital requirements are financed from existing cash resources and borrowings.

The table below classifies the fair values of all financial assets and liabilities held by the Group at 30 June 2022 and 30 June 2021.

All liabilities, including loans and trade and other payables are held at amortised cost. After initial fair value recognition, these instruments are measured at amortised cost using the effective interest rate method. The fair value of all financial liabilities is not materially different from the carrying value.

Classification of financial instruments As at 30 June 2022	At amortised cost £'000	At fair value through profit and loss £'000	Total £'000
Assets			
Cash and bank balances	4,849	–	4 849
Trade and other receivables	14,311	–	14 311
	19,160	–	19 160
Liabilities			
Borrowing	(21,978)	–	(21 978)
Lease liabilities	(27,420)	–	(27 420)
Trade and other payables	(14,872)	–	(14 872)
	(64,270)	–	(64,270)

Notes to the financial statements continued

Classification of financial instruments As at 30 June 2021	At amortised cost £'000	At fair value through profit and loss £'000	Total £'000
Assets			
Cash and bank balances	[illegible]		[illegible]
Trade and other receivables	[illegible]		[illegible]
	[illegible]		[illegible]
Liabilities			
Financing	[illegible]		[illegible]
Lease liabilities	[illegible]		[illegible]
Trade and other payables	[illegible]		[illegible]
	[illegible]		[illegible]

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost using the effective interest rate method and the fair value is not materially different from the carrying value.

The Group assesses at each year end reporting date whether a financial asset or group of financial assets is impaired. In the year ended 30 June 2022 there was no objective evidence that would have necessitated the impairment of loans and receivables or available for sale assets except the provision for impairment of receivables (see note 17).

Classification of financial instruments As at 30 June 2022	At amortised cost £'000	At fair value through profit or loss £'000	Total £'000
Assets			
Trade and other receivables	30,954	–	30,954
	30,954	–	*30,954*
Liabilities			
Trade and other payables	–	–	–
	–	–	–

Classification of financial instruments As at 30 June 2021	At amortised cost £'000	At fair value through profit and loss £'000	Total £'000
Assets			
Trade and other receivables	[illegible]		[illegible]
	[illegible]		[illegible]
Liabilities			
Trade and other payables			

Allotted, issued and fully paid	Nominal value	30 June 2022 Number	30 June 2021 Number
Ordinary shares	[illegible]	335,870,417	[illegible]
Aggregate nominal value		335,870,417	[illegible]
		£'000	£'000
New ordinary shares	[illegible]	336	[illegible]
Aggregate nominal value		336	[illegible]

During the year, the Company issued 3,010,000 (2021: [illegible]) shares to employees following the exercise of share options. The fair value of the shares issued was £[illegible] (2021: £[illegible]).

In the prior period, 134,707,305 shares were issued as part of the share placing that took place in June 2020. A further 48,571,347 were issued as part of the share placing that took place in April 2021.

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Loss before income tax	(19,462)	[illegible]
Adjustments:		
Net finance costs	5,321	[illegible]
Share-based payments	1,817	[illegible]
Depreciation charges	8,640	[illegible]
Amortisation charges	2,540	[illegible]
Loss on disposal of property, plant and equipment	47	[illegible]
Impairment of [illegible]	–	[illegible]
Time Out Market [illegible] costs	–	[illegible]
Gain on derecognition of right-of-use asset and related lease liability	(475)	[illegible]
Other non-cash movements	(67)	[illegible]
Decrease in inventories	18	[illegible]
(Increase)/decrease in trade and other receivables	(3,961)	[illegible]
Increase/(decrease) in trade and other payables	1,038	[illegible]
Cash used in operations	(4,544)	[illegible]

The Group operates defined contribution pension schemes on behalf of its employees. During the year ended 30 June 2022, contributions of £482,000 (18 months ended 30 June 2021: £[illegible]) were made on behalf of employees and at the year end £107,000 (2021: £8,000) remained outstanding.

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Pension contributions paid during the period	482	[illegible]
Pension contributions outstanding at year end	107	8

The Group operates a discretionary long term incentive plan (LTIP) designed to encourage continued improvement in the Group's performance and to align the interest of senior management with those of shareholders in the medium term. The only specific performance condition attached to these awards is of continued service. The awards vest evenly over three years on the anniversary date. There is a 12 month lock up period following each vesting date.

In December 2020, the LTIP was modified to better reflect the current and anticipated performance of the Group. This modification amended the grants with an associated exercise price whereby these grants were replaced by revised grants comprising nil cost grants and grants linked to the Group's share price performance over five years. 9,719,978 options were surrendered and replacement options granted (as shown within the number granted in the table below). This was treated as a modification of the original grants and as such the fair value recognised was reduced by the calculated fair value of the surrendered options as at the date of surrender, the average of which was [illegible]p. The fair value calculation for the surrendered options was performed consistently with the inputs disclosed below, except as disclosed below.

The charge in respect of share-based payment transactions included in the Group's Income Statement for the year is as follows:

	Year ended 30 June 2022 £'000	18 months ended 30 June 2021 £'000
Expense arising from share option plans	1,817	1,[illegible]

Notes to the financial statements continued

	2022		2021	
	Weighted average exercise price (pence per option)	Number of options	Weighted average exercise price (pence per option)	Number of options
Outstanding at 1 July 2021 / 1 January 2020	Nil	26,700,163	[illegible]	[illegible]
Options exercised in the period	Nil	(3,910,000)	[illegible]	[illegible]
Options lapsed in the period	Nil	(10,561,668)	[illegible]	[illegible]
Options surrendered in the period	–	–	[illegible]	[illegible]
Options granted in the period	45	7,875,000	[illegible]	[illegible]
Outstanding at 30 June	18	20,103,495	[illegible]	[illegible]
Exercisable at 30 June		2,128,498		[illegible]
Weighted average remaining contractual life		8.98		[illegible]

Awards have been made to the Executive Directors as follows:

Director	Exercise price (p)	Date of grant	1 July 2021	Exercised	Lapsed	30 June 2022
Julio Bruno	Nil	21.04.2017	[illegible]	[illegible]		–
	Nil	13.04.2018	[illegible]	[illegible]		–
	Nil	13.07.2018	[illegible]	[illegible]		–
	Nil	02.04.2019	[illegible]	[illegible]		–
	Nil	02.01.2019	[illegible]	[illegible]		–
	Nil	[illegible]	[illegible]	[illegible]		–
	Nil	23.12.2020	[illegible]	[illegible]		–
			[illegible]	[illegible]		–
Stuart Rose	Nil	[illegible] 2021	[illegible]			2,000,000
			[illegible]			2,000,000

The options which lapsed during the year relate to employees who have left the Company.

The fair value of the awards was valued using a Black Scholes model; in previous years a Monte Carlo option model has also been used. The assumptions used in the valuation are:

	2022 Non-Performance-based award	2021 Performance-based award	2021 Non-Performance-based award
Risk-free interest rate	0.17% – 0.62%	[illegible]	[illegible]
Volatility	38% – 47%	[illegible]	[illegible]
Expected option life in years	10	[illegible]	10
Expected dividend yield	Nil	Nil	Nil
Share price at grant date	49p – 58p	[illegible]	[illegible]
Exercise price at grant date	Nil – 53p	Nil	Nil
Weighted average fair value of options at grant date	30p	[illegible]	[illegible]

Volatility of the share price was calculated using historical daily share price observations over 12 months.

The weighted average fair value of options granted during the year was 30p (2021: 29p).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

		Expiry date	Exercise price (p)	Share options 2022	Share options 2021
[illegible]	October 2016	[illegible]	Nil	16,838	[illegible]
Senior managers	April 2017	[illegible]	[illegible]	–	[illegible]
Senior managers	April 2018	[illegible]	[illegible]	–	[illegible]
Senior managers	March 2019	[illegible]	[illegible]	149,991	[illegible]
Senior managers	April 2019	[illegible]	[illegible]	–	[illegible]
Senior managers	December 2020	23.12.2030	Nil	10,061,666	[illegible]
Senior managers	January 2021	[illegible]	[illegible]	2,000,000	[illegible]
Senior managers	November 2021	[illegible]	Nil	625,000	
Senior managers	April 2022	[illegible]	[illegible]	5,000,000	
Senior managers	April 2022	[illegible]	[illegible]	500,000	
Senior managers	May 2022	[illegible]	[illegible]	1,000,000	
Senior managers	June 2022	[illegible]	[illegible]	750,000	
				20,103,495	[illegible]

There is a summary of ownership interests in the Directors' Report on page [illegible]. Oakley Capital Limited and Oakley Capital Private Equity, at the year ended 30 June 2022, collectively own [illegible] (2021: 44.6[illegible]).

OCI is a substantial shareholder in the Company as defined by the AIM Rules and as such entering into the loan facility constituted a related party transaction pursuant to AIM Rule 13. With the exception of Peter Dubens, who is a director of OCI, the Directors of the Group consider that, having consulted with Liberum, the terms of the transaction were fair and reasonable insofar as shareholders were concerned.

Management share awards

Details of management share awards are contained in the Directors' Remuneration Report on page 73 and note 27.

Other

The Group engages with Oakley Advisory, a subsidiary of Oakley Capital Investment Limited, on a consultancy basis and paid a fee of £55,000 for the year ended 30 June 2022 (18 months ended 30 June 21: £41,500), as at the year end £13,750 was outstanding (2021: £11,500). Oakley Capital Investment Limited donated £3[illegible],000 in relation to the Tony Elliot Memorial event in March 2022.

As part of the cash placings completed in May 2020 and April 2021, Lombard Odier purchased an aggregate of 31,034,286 shares. Lombard Odier is a related party of the Company for the purposes of the AIM Rules by virtue of their status as a substantial shareholder holding 10% or more of the existing Ordinary Shares.

The Company had the following balances outstanding with related parties, all of whom are companies within the Group

	2022 £'000	2021 £'000
[illegible]	–	[illegible]
[illegible]	–	[illegible]
[illegible]	–	
[illegible]	–	[illegible]
[illegible]	22,714	[illegible]
[illegible]	–	[illegible]
[illegible]	8,239	
	30,953	[illegible]

On 24 August, the Group agreed an unsecured loan facility of up to £8.0 million with Oakley Capital Investments Limited ("OCI"). The drawn balance on this facility as at 30 November 2022 was £[illegible] and has been converted to a loan note ("OCI Loan Note") and extended to 31 December 2025. Interest will be charged at a 30 day average SONIA rate plus 10% per annum, with an arrangement fee of 2% and an exit premium.

On 24 November 2022, the Group agreed a new €35.0m secured four year term loan facility with Crestline Europe LLP ("Crestline facility") which will be used to refinance the Incus Capital Facility. The facility has a term of four years, with the right to settle in full after two years. Interest may be capitalised or paid in cash, at the election of the Company, during the first year at a rate of 9.[illegible] plus 3 month EURIBOR and from the second year onwards interest will be paid in cash at a rate of 8.5% plus 3 month EURIBOR. There will separately be an exit premium payable upon full repayment of the facility, calculated by reference to the principal amount drawn. The facility is subject to quarterly financial covenants based on minimum liquidity levels (quarterly testing commencing on 31 December 2022) and target leverage ratio (quarterly testing commencing on 30 June 2023).

The Company has also executed an equity warrant instrument and agreed to issue 11,400,423 equity warrants on 30 November 2022 and a further 2,264,408 at full drawdown of the Loan Note Facility (in total representing approximately 3.6% of its fully diluted share capital) to the Crestline subscribers. The five year equity warrants, which have customary anti dilution protections, have an exercise price of 39 pence per ordinary share.

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