

Company Registration No. 09876101 (England and Wales)

Excalibur Holdco Limited
Annual Report and Financial Statements
For the period ended 2 October 2022

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Excalibur Holdco Limited

Company information

Directors	Roland Patrick Bryan Karen Louise Kemble-Diaz Simon Russell Davidson James Justin Siderfin Welsh Jacqueline Lauren Abu-Haibar Manuel Lopo De Carvalho Nancy Cruickshank	(Appointed 2 January 2022) (Appointed 19 November 2021) (Appointed 30 November 2022)
Company number	09876101	
Registered office	Dalston Works 69 Dalston Lane London E8 2NG	
Independent auditors	PKF Smith Cooper Audit Limited Prospect House 1 Prospect Place Pride Park Derby DE24 8HG	
Bankers	NatWest 49 Bishopsgate London EC2N 3AS	

Excalibur Holdco Limited

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Excalibur Holdco Limited

Strategic report

For the period ended 2 October 2022

The directors present the strategic report for Excalibur Holdco Limited (the "Company") and its subsidiaries (the "Group") for the 52 week period ended 2 October 2022 (the "Period"). The comparative Period was the 53 weeks ended 3 October 2021.

Results and performance

As shown in the Group's Income Statement, consolidated revenue for the period from continuing operations was £56,802,000 (2021: £54,568,000), operating profit before amortisation and exceptional costs from continuing operations was £9,814,000 (2021: £9,152,000). The loss before taxation from continuing operations was £10,156,000 (2021: £12,582,000), primarily reflecting interest payable in respect of loan notes, together with the amortisation of goodwill and intangible assets arising on business combinations.

During the prior financial year the Group has been impacted by the Covid-19 pandemic with local governments implementing various restrictions to reduce the spread of the virus. The Group has reacted by focusing both on its people and operations. In order to protect its employees, where possible staff were working from home with no issues noted. The Group has continued to operate safely throughout the lockdown period and continued to serve its customers.

The Group's main trading company, Wowcher Limited, continued to grow and at the end of the period had increased its opted-in subscriber database to 26.5 million (2021: 23.6 million).

The total Shareholders' deficit as at 2 October 2022 was £93,757,000 (2021: £83,272,000)

Principal risk and uncertainties

Demand risk

The Group's principal operating subsidiaries are engaged in the offer of daily voucher deals. The principal risk to the revenues of those subsidiaries is a downturn in demand in daily vouchers, caused by economic uncertainty and a change in consumer spending habits. In addition, the daily discount market remains competitive. The directors consider that continuing investment in marketing and technology will help maintain the Group's market position.

Liquidity risk

The Group is exposed to liquidity risk as sufficient funds are required to support trading, investing and financing activities. The majority of Group revenues are derived from credit card transactions over the interest, reaching Group bank accounts in 3 to 4 days. Suppliers are paid once the vouchers have been redeemed and therefore the Group's operational working capital risks are negligible. The Group's borrowings are long term, committed facilities and are only subject to a small number of financial covenants which the Directors regularly monitor to ensure both current and future compliance.

Excalibur Holdco Limited

Strategic report (continued)

For the period ended 2 October 2022

Key performance indicators

The Group's key financial and other performance indicators from continuing operations during the Period were as follows:

	Unit	Period ended 2 October 2022	Period ended 3 October 2021
Turnover	£000	56,802	54,568
Operating profit before restructuring costs and amortisation	£000	9,814	9,152
Operating profit margin rate before restructuring costs and amortisation	% of turnover	17%	17%
Employees from continuing activities (average number)	FTE	216	234
Revenue per employee	£000	263	233

The directors consider that turnover, operating profit before exceptional costs and turnover per employee to be key performance indicators as they indicate the growth of the business and measure shareholder return.

Future developments

The objective of management is to retain and develop the Group's position as a leading online retailer of daily voucher deals and online discounts for local services, travel and goods. The directors expect to continue to invest in the website and supporting platform to improve the experience and service for customers.

Excalibur Holdco Limited

Strategic report (continued)

For the period ended 2 October 2022

Section 172(1) Statement

The directors have complied with their duties under sections 172(1)(a)-(f) of the Companies Act 2006 as set out below.

Consequences of long-term decisions

The directors understand the business and the evolving environment in which the Group operates. All decisions are taken with the aim of improving the success of the group in the long term. The key decisions in the year relate to Covid-19 and Brexit readiness.

Interests of Group employees

Please refer to the employee involvement section in the Directors' Report.

Need to foster the Group's business relationships

The Group business is dependent on long-term merchant and customer relationships. This puts a particular onus on the directors to support initiatives that foster long-term, durable relationships with merchants for example by ensuring merchants have a dedicated expert account manager.

Impact of the Group's operations on the community and the environment

The Group's focus is on promoting third party services to its customers, the vast majority of which are provided by small businesses rooted in local communities.

As a business that promotes services online, the Company's environmental impact is limited to its office space. The Company's policy of allowing employees to have work from home days, reduces office electricity and gas consumption as well as employees' fuel consumption from commuting.

Desirability of the group maintaining a reputation for high standards of business conduct

Given the size of the Group's merchant base, the directors are particularly sensitive to the need for the Group to behave ethically. Employees are provided with annual compliance training to inform and remind them of appropriate conduct in various situations, including in relation to anti-bribery and anti-corruption.

Need to act fairly as between members of the Group

All courses of action are taken with all stakeholders in mind. Decisions that directly affect the members of the group are discussed with the board of directors.

On behalf of the board



.....
Roland Patrick Bryan

Director

30/03/2023

Excalibur Holdco Limited

Directors' report

For the period ended 2 October 2022

The directors present their annual report and audited consolidated financial statements for the Period ended 2 October 2022.

Principal activities

The principal activities of the Group is to offer daily voucher deals. The principal activity of the Company is as a holding company.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Colin John Tenwick	(Resigned 10 January 2023)
Roland Patrick Bryan	
Karen Louise Kemble-Diaz	
Simon Russell Davidson	
Christopher Michael Graham	(Resigned 2 January 2022)
James Justin Siderfin Welsh	
Kevin Joseph Beatty	(Resigned 19 November 2021)
Jacqueline Lauren Abu-Haibar	(Appointed 2 January 2022)
Manuel Lopo De Carvalho	(Appointed 19 November 2021)
Nancy Cruickshank	(Appointed 30 November 2022)

Results and dividends

The results for the Period are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Qualifying third party indemnity provisions

The Company maintains Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies were maintained until the date of approval of these financial statements. These policies meet the Companies Act 2016 definition of qualifying third party indemnity provisions.

Research and development

During the year, the Group has focused its research and development activities on the improvement and reliability of the Group's website and mobile platform.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from disability.

Excalibur Holdco Limited

Directors' report (continued)

For the period ended 2 October 2022

Employee involvement

Details of the number of Group employees and related costs can be found in the notes to the financial statements.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that employees are aware of the performances of their business units and of the Group as a whole. Communication with employees continues through newsletters and briefing groups. The Group also encourages and provides opportunities for employees to contribute their views.

Supplier and customer engagement statement

Please see the subsection entitled *Need to foster the Company's business relationships* in the strategic report above.

Future developments

These are referred to in the strategic report.

Principal risks

These are referred to in the strategic report.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the Company and Group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the Company and Group are aware of that information.

Going concern

The Group meets its day-to-day working capital requirements through cash held at bank, and also has access to committed bank facilities.

The directors have considered the ability of the Group to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Group's business activities, the net liability position of the group, together with the factors likely to affect its future development, performance and position. The loan notes are due to the shareholders and management and are due for repayment in 2025. Excluding these loan notes, the Group is showing a net asset position.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Financial instruments

The Company's indirect subsidiary Excalibur Bidco Limited has an interest rate derivative to cap the interest rate on £19,610,000 of term borrowings. The interest rate cap, which commences on 31 March 2021 and matures on 31 December 2022, has the effect of limiting the LIBOR paid on relevant borrowings to a maximum rate of 0.80%.

Excalibur Holdco Limited

Directors' report (continued)

For the period ended 2 October 2022

Energy and carbon reporting

In line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, our energy use and greenhouse gas (GHG) emissions are set out below.

Green House Gas emissions

Scope	Emission Source	Units	Period ending 02 October 2022	Period ending 03 October 2021
Scope 1	Gaseous Fuel	Emissions (tCO ₂ e)	0.0	0.0
Scope 2	Grid Electricity	Emissions (tCO ₂ e)	51.5	72.1
Scope 3	Grey Fleet	Emissions (tCO ₂ e)	7.7	3.5
TOTAL EMISSIONS		Emissions (tCO₂e)	59.2	75.6

Energy consumption

Scope	Emission Source	Units	Period ending 02 October 2022	Period ending 03 October 2021
Scope 1	Gaseous Fuel	Energy (kWh)	0	0
Scope 2	Grid Electricity	Energy (kWh)	266,171	339,645
Scope 3	Grey Fleet	Energy (kWh)	31,054	14,066
TOTAL EMISSIONS		Energy (kWh)	297,225	353,711

CO₂ intensity ratio

Type	Units	Period ending 02 October 2022	Period ending 03 October 2021
Occupancy	tCO ₂ e/FTE employees	0.24	0.32

Methodology used

We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). The 2022 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food and Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO₂e. Data sources include billing, invoices and the Group's internal systems. For transport data where actual usage data (e.g. litres) was unavailable, conversions were made using average fuel consumption factors to estimate the usage.

Energy efficiency actions taken

During the period ended 02 October 2022, the Group moved its Derby office into a newer more efficient building.

During the period ended 03 October 2021, the Group downsized its Derby office to reduce energy usage.

On behalf of the board



Roland Patrick Bryan

Director
30/03/2023

Excalibur Holdco Limited

Directors' responsibilities statement

For the period ended 2 October 2022

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Excalibur Holdco Limited

Independent auditor's report

TO THE MEMBERS OF EXCALIBUR HOLDCO LIMITED

Opinion

We have audited the financial statements of Excalibur Holdco Limited (the 'parent company') and its subsidiaries (the 'group') for the Period ended 2 October 2022 which comprise the Group income statement, Group statement of comprehensive income, the Group and company statements of financial position, Group and company statements of changes in equity, the Group statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 2 October 2022 and of its loss for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

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 or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Excalibur Holdco Limited

Independent auditor's report (continued) **TO THE MEMBERS OF EXCALIBUR HOLDCO LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

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

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

Auditor responsibilities for the audit of the financial statements

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

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 identify the key laws and regulations affecting the Group.

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions

We focused on those areas that could give rise to a material misstatement in the Group and parent company financial statements.

Excalibur Holdco Limited

Independent auditor's report (continued)

TO THE MEMBERS OF EXCALIBUR HOLDCO LIMITED

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the period to identify instances of non-compliance with laws and regulations and fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular review of provisions and analytical procedures to identify any unexpected or unusual relationships that might indicate material misstatement due to fraud.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

PKF Smith Cooper Audit Limited

James Delve (Senior Statutory Auditor)
for and on behalf of PKF Smith Cooper Audit Limited
Statutory Auditor
Prospect House, 1 Prospect Place, Pride Park, Derby, DE24 8HG

30/03/23

Excalibur Holdco Limited

Group income statement For the period ended 2 October 2022

		Period ended 2 October 2022 £000	Period ended 3 October 2021 £000
	Notes		
Turnover	3	56,802	54,568
Cost of sales		(6,732)	(7,101)
Gross profit		50,070	47,467
Administrative expenses		(53,595)	(49,528)
Operating Loss	5	(3,525)	(3,042)
Analysed as:			
Underlying operating profit		9,814	9,152
Amortisation of intangible assets, including goodwill		(11,056)	(11,213)
Exceptional costs	4	(2,283)	(981)
Operating loss	5	(3,525)	(3,042)
Interest payable and similar expenses	9	(6,631)	(9,540)
Loss before taxation		(10,156)	(12,582)
Tax on loss	10	(440)	160
Loss for the financial period		(10,596)	(12,422)

Loss for the financial Period is all attributable to the owners of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

Excalibur Holdco Limited

Group statement of comprehensive income

For the period ended 2 October 2022

	Period ended 2 October 2022 £000	Period ended 3 October 2021 £000
Loss for the Period	(10,596)	(12,422)
	<u> </u>	<u> </u>
Other comprehensive (expense)/income		
Currency translation differences	21	(57)
Cash flow hedges gain arising in the Period	90	-
	<u> </u>	<u> </u>
Other comprehensive income for the Period	111	(57)
	<u> </u>	<u> </u>
Total comprehensive expense for the Period	(10,485)	(12,479)
	<u> </u>	<u> </u>

Total comprehensive expense for the Period is all attributable to the owners of the Parent Company.

Excalibur Holdco Limited

Group and company statement of financial positions

As at 2 October 2022

	Notes	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Fixed assets					
Goodwill	11	7,356	9,680	-	-
Other intangible assets	11	23,016	30,071	-	-
Total intangible assets		30,372	39,751	-	-
Tangible assets	12	264	447	-	-
Investments	13	-	-	896	896
		30,636	40,198	896	896
Current assets					
Stocks	16	2,963	2,130	-	-
Debtors	17	1,803	1,629	15	26
Cash at bank and in hand		9,968	20,076	-	-
		14,734	23,835	15	26
Creditors: amounts falling due within one year	18	(27,954)	(29,972)	(1,857)	(1,409)
Net current liabilities		(13,220)	(6,137)	(1,842)	(1,383)
Total assets less current liabilities		17,416	34,061	(946)	(487)
Creditors: amounts falling due after more than one year	19	(106,781)	(112,243)	-	-
Provisions for liabilities					
Provisions	21	(397)	(893)	-	-
Deferred tax liability	22	(3,995)	(4,197)	-	-
		(4,392)	(5,090)	-	-
Net liabilities		(93,757)	(83,272)	(946)	(487)
Capital and reserves					
Called up share capital	24	5	5	5	5
Share premium account		454	454	454	454
Share based payment reserve		552	552	552	552
Capital contribution		(1,057)	(1,057)	-	-
Hedging reserve		90	-	-	-
Profit and loss account		(93,801)	(83,226)	(1,957)	(1,498)
Total shareholders' deficit		(93,757)	(83,272)	(946)	(487)

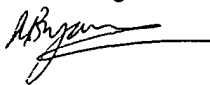
Excalibur Holdco Limited

Group and company statement of financial positions (continued)

As at 2 October 2022

As permitted by section 408 Companies Act 2006 (the "Act"), the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was £459,000 (2021 - £270,000 loss).

The financial statements were approved by the board of directors and authorised for issue on 30/03/2023 and are signed on its behalf by:



.....
Roland Patrick Bryan
Director

Company Registration No. 09876101

Excalibur Holdco Limited

Group statement of changes in equity

For the period ended 2 October 2022

		Share capital	Share premium account	Hedging reserve	Capital contribution	Share Based Payment Reserve	Profit and loss reserves	Total
	Notes	£000	£000	£000	£000	£000	£000	£000
Balance at 28 September 2020		5	419	-	-	-	(70,747)	(70,323)
Period ended 3 October 2021:								
Loss for the period		-	-	-	-	-	(12,422)	(12,422)
Other comprehensive income:								
Currency translation differences		-	-	-	-	-	(57)	(57)
Total comprehensive expense for the period		-	-	-	-	-	(12,479)	(12,479)
Issue of share capital	24	-	35	-	-	-	-	35
Capital contribution	24	-	-	-	(1,057)	-	-	(1,057)
Share based payment valuation		-	-	-	-	552	-	552
Balance at 3 October 2021		5	454	-	(1,057)	552	(83,226)	(83,272)
Period ended 2 October 2022:								
Loss for the period		-	-	-	-	-	(10,596)	(10,596)
Other comprehensive expense:								
Currency translation differences		-	-	-	-	-	21	21
Cash flow hedges gains arising in the Period		-	-	90	-	-	-	90
Total comprehensive expense for the period		-	-	90	-	-	(10,575)	(10,485)
Balance at 2 October 2022		5	454	90	(1,057)	552	(93,801)	(93,757)

Excalibur Holdco Limited

Company statement of changes in equity

For the period ended 2 October 2022

		Share capital	Share premium account	Share based payment reserve	Profit and loss reserves	Total
	Notes	£000	£000	£000	£000	£000
Balance at 28 September 2020		5	419	-	(1,228)	(804)
Period ended 3 October 2021:						
Loss and total comprehensive expense for the period		-	-	-	(270)	(270)
Issue of share capital	24	-	35	-	-	35
Share based payment valuation		-	-	552	-	552
Balance at 3 October 2021		5	454	552	(1,498)	(487)
Period ended 2 October 2022:						
Loss and total comprehensive expense for the period		-	-	-	(459)	(459)
Balance at 2 October 2022		5	454	552	(1,957)	(946)

Excalibur Holdco Limited

Group statement of cash flows For the period ended 2 October 2022

		2022		2021	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	30		8,508		5,695
Income taxes paid			(784)		(15)
Net cash generated from operating activities			7,724		5,680
Investing activities					
Purchase of intangible assets		(1,677)		(2,272)	
Purchase of tangible fixed assets		(64)		(64)	
Net cash used in investing activities			(1,741)		(2,336)
Financing activities					
Proceeds from issue of shares		-		35	
Interest paid		(672)		(1,848)	
Proceeds from borrowings		-		92,229	
Repayment of borrowings		-		(92,229)	
Debt issue costs incurred		(454)		-	
Proceeds of new bank loans		12,000		-	
Repayment of bank loans		(26,968)		(2,500)	
Net cash used in financing activities			(16,094)		(4,313)
Net decrease in cash and cash equivalents			(10,111)		(969)
Cash and cash equivalents at beginning of Period			20,076		21,053
Effect of foreign exchange rates			3		(8)
Cash and cash equivalents at end of Period			9,968		20,076

Excalibur Holdco Limited

Notes to the financial statements ***For the period ended 2 October 2022***

1 Accounting policies

Company information

Excalibur Holdco Limited is a private company limited by shares domiciled and incorporated in the United Kingdom. The registered office is Dalston Works, 69 Dalston Lane, London, E8 2NG.

The Group consists of Excalibur Holdco Limited and all of its subsidiaries.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (ie entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 2 October 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

1.3 Going concern

The Group meets its day-to-day working capital requirements through cash held at bank, and also has access to committed bank facilities.

The directors have considered the ability of the Group to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Group's business activities, the net liability position of the group, together with the factors likely to affect its future development, performance and position. The loan notes are due to the shareholders and management and are due for repayment in 2025. Excluding these loan notes, the Group is showing a net asset position.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

1.4 Reporting period

The accounting policies below have been prepared on a consistent basis in both the current and prior periods. The financial period ended 2 October 2022 consists of 52 weeks (2021: 53 weeks).

1.5 Turnover

Daily voucher deals

The Group generates revenue through the sale and issue of vouchers on the Wowcher or LivingSocial websites that can be exchanged for goods and services provided by third party merchant partners or on some occasions with the Group itself, where the Group acts as both the supplier of the product as well as the issuer of the voucher.

The Group recognises revenue at the point at which the customer purchases a voucher from one of its websites, with consideration being passed at that point. At this point, an amount becomes payable to the merchant and is included within other creditors. The Group recognises revenue from unredeemed vouchers and derecognises the accrued merchant payable shortly after it's legal obligation to the merchant expires. The amount recognised as revenue comprises the Group's fees and any other income in accordance with its contract with the third party merchant partner, rather than the gross value of vouchers purchased by customers.

Customers purchase the vouchers from the Group and redeem them with the Group's merchant partners. The revenue recognition criteria are met when the consideration passes from the customer to the Group and a voucher is issued. At that time, the Group's obligations are substantially complete.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development	2-5 years straight line
Subscriber list	10 years straight line
Brand names & trademark	10 years straight line

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at historical cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and computer equipment	3 to 5 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.10 Investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

1.11 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

1.14 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

Where financial liabilities are exchanged with substantially different terms or there is a substantial modification of the terms of the existing financial liability, the transaction is accounted for as an extinguishment of the original financial liability and a new financial liability is recognised.

1.15 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

1.16 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

1 Accounting policies

(Continued)

1.20 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.22 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.23 Exceptional costs

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

1.24 Reserves

The Group and Company's reserves are as follows:

- Share capital represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Capital contribution reserve arose as a result of an interest rate waiver by related parties on loan notes.
- Share based payment reserve represents the difference between the amounts paid for shares issued to management and FRS 102 valuation of the shares issued.
- Profit and loss reserves represents cumulative profits or losses, net of dividends paid and other adjustments.
- Hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of intangible assets and goodwill

Management perform annual reviews to identify any impairment triggers. If a trigger is identified, a review of the investments is undertaken which includes assessing each subsidiary based on its net assets along with management's knowledge of the business and of its future plans, to establish whether the carrying value of the investment should be impaired. See note 11.

Investment carrying value

Management perform annual reviews to identify any impairment triggers. If a trigger is identified, a review of the investments is undertaken which includes assessing each subsidiary based on its net assets along with management's knowledge of the business and of its future plans, to establish whether the carrying value of the investment should be impaired. See note 13.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Intangible fixed assets

Intangible fixed assets are amortised over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and project life cycles are taken into account. See note 11.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. See note 11.

Provisions

The marketing provision relates to credits issued to customers which be used against future voucher purchases on the website. The Group provides for the expected value of marketing credits on the basis of management's best estimate. This provision is based on the value of credits issued to customers, and is subject to change dependent on customer utilisation rates. See note 21.

Investment carrying value

Determining whether an investment is impaired requires an estimation of the recoverable amount, which required the company to estimate the value in use. This is based on future cash flows and a suitable discount rate in order to calculate the present value. See note 13.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

3 Turnover

An analysis of the Group's turnover is as follows:

	2022 £000	2021 £000
Turnover		
Daily voucher deals	47,877	44,781
Sale of goods	8,925	9,787
	<u>56,802</u>	<u>54,568</u>

Turnover analysed by geographical market

	2022 £000	2021 £000
United Kingdom	54,925	51,657
Republic of Ireland	1,877	2,911
	<u>56,802</u>	<u>54,568</u>

4 Exceptional costs

	2022 £000	2021 £000
Exceptional costs	2,283	981
	<u>2,283</u>	<u>981</u>

In 2022, the company incurred exceptional costs of £2,154,000 in relation to one off corporate advice and and £129,000 in relation to dual running costs.

In 2021, the company incurred exceptional costs of £213,000 related to the reorganisation of the business, £471,000 in relation to one off corporate advice and £661,000 employee costs in relation to shares issued to staff during the year. This is offset by exceptional income of £364,000 relating to the reversal of the impairment against the loan note balance due from Secret Bidco Limited of £364,000 as the loan note balance was recieved during the period.

5 Operating loss

	2022 £000	2021 £000
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	159	(32)
Research and development costs	70	131
Depreciation of owned tangible fixed assets	247	252
Amortisation of intangible assets	11,056	11,213
Operating lease charges	415	469
	<u></u>	<u></u>

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

6 Auditors' remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditors and their associates:		
For audit services		
Audit of the financial statements of the Group and Company	95	136

7 Employees

The average monthly number of persons (including directors) employed by the Group and Company for continuing and discontinued operations during the Period was:

	Group 2022 Number	Group 2021 Number	Company 2022 Number	Company 2021 Number
Administration & support	122	141	-	-
Sales & marketing	94	93	-	-
	<u>216</u>	<u>234</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	9,358	10,136	-	-
Social security costs	1,044	1,123	-	-
Other pension costs	429	456	-	-
	<u>10,831</u>	<u>11,715</u>	<u>-</u>	<u>-</u>
Total staff costs	10,831	11,715	-	-
Amounts capitalised	(1,029)	(1,303)	-	-
	<u>9,802</u>	<u>10,412</u>	<u>-</u>	<u>-</u>
Staff costs charged to profit and loss	9,802	10,412	-	-

Included within wages and salaries is £nil (2021: £310,000) received in respect of the job retention scheme.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

8 Directors' remuneration

	2022 £000	2021 £000
Remuneration for qualifying services	1,467	1,134
Company pension contributions to defined contribution schemes	2	2
	<u>1,469</u>	<u>1,136</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

The number of directors who exercised share options during the year was 0 (2021 - 0).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £000	2021 £000
Remuneration for qualifying services	1,024	757
Company pension contributions to defined contribution schemes	2	2
	<u>1,026</u>	<u>759</u>

The highest paid director has not exercised share options during the Period or prior Period.

9 Interest payable and similar expenses

	2022 £000	2021 £000
Interest on bank overdrafts and loans	657	6,672
Effective interest on loan notes	5,379	2,342
Amortisation of finance costs	595	526
	<u>6,631</u>	<u>9,540</u>

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

10 Tax on loss

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	630	569
Adjustment in respect of prior periods	12	-
Total current tax	642	569
Deferred tax		
Origination and reversal of timing differences	(202)	(922)
Adjustment in respect of prior periods	-	193
Total deferred tax	(202)	(729)
Total tax charge/(credit)	440	(160)

The actual credit for the Period can be reconciled to the expected credit based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Loss before taxation	(10,156)	(12,582)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,930)	(2,391)
Tax effect of expenses that are not deductible in determining taxable profit	2,925	2,838
Tax effect of income not taxable in determining taxable profit	-	(69)
Adjustment in respect of prior periods	12	-
Permanent capital allowances in excess of depreciation	(3)	12
Effect of overseas tax rates	8	(19)
Deferred tax adjustment in respect of prior periods	303	122
R&D expenditure credits	-	6
Deferred tax not recognised	(672)	121
Other tax adjustments reliefs and transfers	(203)	(780)
Taxation charge/(credit) for the period	440	(160)

There is an unrecognised deferred tax asset of £8,580,000 (2021: £11,299,000).

Legislation was enacted in June 2021 to increase the UK corporation tax rate from 19.0% to 25.0% with effect from 1 April 2023. Accordingly, for the year ended 2 October 2022, the UK deferred tax balances are measured at 25.0% unless the temporary difference is expected to reverse before 1 April 2023, in which case the rate used is the one applicable at the expected time of reversal. For the year ended 3 October 2021, the UK deferred tax balances were measured at 25.0% as this was the rate applicable for the reversal of all UK temporary differences as at 3 October 2021.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

11 Intangible assets

Group	Goodwill	Software development	Subscriber list	Brand names & trademark	Total
	£000	£000	£000	£000	£000
Cost					
At 4 October 2021	23,235	15,241	48,156	16,405	103,037
Additions - internally developed	-	1,677	-	-	1,677
At 2 October 2022	23,235	16,918	48,156	16,405	104,714
Accumulated amortisation and impairment					
At 4 October 2021	13,555	12,070	28,093	9,568	63,286
Amortisation charged for the Period	2,324	2,276	4,816	1,640	11,056
At 2 October 2022	15,879	14,346	32,909	11,208	74,342
Carrying amount					
At 2 October 2022	7,356	2,572	15,247	5,197	30,372
At 3 October 2021	9,680	3,171	20,063	6,837	39,751

The Company had no intangible fixed assets at 2 October 2022 or 3 October 2021.

During the period, the Group received grant income in respect of its software development totalling £154,000 (2021: £125,000).

The individual intangible assets, excluding goodwill, which are material to the financial statements are:

	Carrying Amount (£000) 2 October 2022 £000	Remaining Amortisation Period (Years) 2 October 2022
Acquired on business combination		
Wowcher brand and trade marks	4,321	3 years, 2 months
Wowcher subscriber list	15,247	3 years, 2 months
LivingSocial brand and trade marks	876	3 years, 2 months

The remaining goodwill relates to the acquisition of LivingSocial Limited and LivingSocial Europe Limited on 26 November 2015. The goodwill arising on the acquisition of LivingSocial Limited and LivingSocial Europe Limited has a remaining amortisation period as at 3 October 2021 of 3 years 2 months.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

12 Tangible assets

Group	Fixtures, fittings and computer equipment
	£000
Cost	
At 4 October 2021	1,455
Additions	64
At 2 October 2022	1,519
Accumulated depreciation and impairment	
At 4 October 2021	1,008
Depreciation charged in the Period	247
At 2 October 2022	1,255
Carrying amount	
At 2 October 2022	264
At 3 October 2021	447

The Company had no tangible fixed assets at 2 October 2022 or 3 October 2021.

13 Fixed asset investments

	Notes	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Investments in subsidiaries	14	-	-	896	896

Movements in fixed asset investments

Company	Shares in group undertakings £000
Cost or valuation	
At 4 October 2021 and 2 October 2022	896
Carrying amount	
At 2 October 2022	896
At 3 October 2021	896

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

14 Subsidiaries

Details of the Company's subsidiaries at 2 October 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Excalibur Debtco Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Holding Company	Ordinary	100.00	-
Excalibur Silver Bidco Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Non-Trading	Ordinary	-	100.00
Excalibur Midco Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Holding Company	Ordinary	-	100.00
Excalibur Bidco Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Supply of strategic management services	Ordinary	-	100.00
Wowcher Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Daily voucher deals	Ordinary	-	100.00
LivingSocial Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Non-trading	Ordinary	-	100.00
LivingSocial Europe Limited	6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland	Daily voucher deals	Ordinary	-	100.00
Wowcher West Limited	Dalston Works, 69 Dalston Lane, London, E8 2NG	Daily voucher deals	Ordinary	-	100.00

15 Financial instruments

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	464	168	-	2
Carrying amount of financial liabilities				
Measured at amortised cost	133,690	140,871	1,857	1,409

16 Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Raw materials and consumables	2,963	2,130	-	-

Stocks are stated after provisions for impairment of £89,000 (2021: £4,000).

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

17 Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Amounts falling due within one year:				
Trade debtors	449	143	-	-
Other debtors	15	25	-	2
Prepayments and accrued income	1,339	1,461	15	24
	<u>1,803</u>	<u>1,629</u>	<u>15</u>	<u>26</u>

Trade debtors are stated after provisions for impairment of £217,000 (2021: £203,000).

18 Creditors: amounts falling due within one year

	Notes	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans and overdrafts	20	3,170	7,250	-	-
Trade creditors		5,936	4,720	33	-
Amounts owed to group undertakings		-	-	1,794	1,380
Corporation tax payable		143	315	-	-
Taxation and social security		1,316	1,494	-	-
Other creditors		12,450	11,437	-	-
Accruals and deferred income		4,939	4,756	30	29
		<u>27,954</u>	<u>29,972</u>	<u>1,857</u>	<u>1,409</u>

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

There are restrictions on some amounts owed to group undertakings due to the intercreditor agreement as part of the bank loans.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans and overdrafts	20	7,245	18,137	-	-
Loan notes	20	99,950	94,571	-	-
Unamortised loan issue costs		(414)	(465)	-	-
		<u>106,781</u>	<u>112,243</u>	<u>-</u>	<u>-</u>

The bank loans are secured by fixed and floating charges over certain Group assets.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

20 Loans and overdrafts

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans and overdrafts	10,415	25,387	-	-
Loan notes	99,950	94,571	-	-
	<u>110,365</u>	<u>119,958</u>	<u>-</u>	<u>-</u>
Payable within one year	3,170	7,250	-	-
Payable after one year	<u>107,195</u>	<u>112,708</u>	<u>-</u>	<u>-</u>

The Group has Fixed Rate Unsecured Loan Notes with a nominal value of £57,836,000 in issue. Interest was calculated at a fixed rate of 10% per annum and the final date for the repayment of the nominal value and accrued interest was due to 31 December 2025. On 16th April 2021, the interest accruing on the Loan Notes was amended to a rate of 0% for a period of two years to 15th April 2023 and then 10% thereafter. The interest waiver was a substantial modification per FRS 102 11.37 and therefore the original Loan Notes and associated issue costs were extinguished at this date. A new financial liability was recognised in the prior year for £92,229,000 which is due for repayment on 31 December 2025. The effective interest rate to maturity is 5.70%. Total effective interest charged for the period is £5,379,000 (2021: £2,342,000).

In addition, on the 30 November 2021, the Group repaid the existing bank loans in full and the Group entered into a new Term and Revolving Facilities Agreement. Prior to the repayment, the Group had a Term and Revolving Facilities Agreement, comprising a £10,000,000 super senior term loan, a £17,500,000 unitranche term loan and a £5,000,000 committed revolving credit facility. The super senior term loan accrued interest at LIBOR plus 3% and the unitranche term loan accrued interest at 10.8% plus the higher of 0.5% and LIBOR. The term loans included £8,750,000 that was repayable in instalments during the period from 30 June 2019 to 30 June 2022, with the balance of £15,950,000 repayable on 16 December 2022.

The new Term and Revolving Facilities Agreement, comprises £12,000,000 term loans and a £2,000,000 committed revolving credit facility. The term loan accrues interest at SONIA plus up to 3.50%. The term loans include £7,925,000 that is repayable in instalments during the period from 30 June 2022 to 30 June 2024, with the balance of £4,075,000 repayable on 30 September 2024. The revolving credit facility is committed until September 2024.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

21 Provisions

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Merchant provisions	245	749	-	-
Marketing provision	69	61	-	-
Dilapidations provision	83	83	-	-
	<u>397</u>	<u>893</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	Merchant provisions £000	Marketing provision £000	Dilapidations provision £000	Total £000
At 4 October 2021	749	61	83	893
Additional provisions in the year	244	21	-	265
Reversal of provision	(504)	-	-	(504)
Utilisation of provision	(244)	(13)	-	(257)
At 2 October 2022	<u>245</u>	<u>69</u>	<u>83</u>	<u>397</u>

The marketing provision relates to credits issued to customers which be used against future voucher purchases on the website. Marketing credits are expected to be utilised in the next financial year.

Dilapidations provision relates to the estimated cost of returning leased premises to original condition. It is expected that most of these costs will be incurred in the next financial year.

The merchant provisions relates to the expected value of late merchant payments that will be made. It is expected that most of these costs will be incurred in the next financial year.

22 Deferred tax liability

The following are the major deferred tax liabilities and assets recognised by the Group and Company, and movements thereon:

Group	Liabilities 2022 £000	Liabilities 2021 £000
Accelerated capital allowances	363	(199)
Tax losses	(748)	(399)
Arising on consolidation - brand and subscriber list acquired	4,394	4,597
Short term timing differences	(14)	198
	<u>3,995</u>	<u>4,197</u>

The Company has no deferred tax assets or liabilities.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

22 Deferred tax liability (Continued)

	Group 2022 £000	Company 2022 £000
Movements in the Period:		
Liability at 4 October 2021	4,197	-
Credit to profit or loss	(202)	-
Liability at 2 October 2022	3,995	-

The brand and subscriber list acquired is net of future interest deductions of £523,000 (2021: £1,547,000). This deferred tax asset is recoverable only against the tax liability on forecast future profits from the brand and subscriber lists represented by the deferred tax liability shown above.

23 Retirement benefit schemes

	2022 £000	2021 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	429	456

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Company has an accrual of £60,000 outstanding at 2 October 2022 (2021: £61,000).

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

24 Called up share capital

	Group and Company	
	2022	2021
	£000	£000
Ordinary share capital		
Issued and fully paid		
240,000 A Ordinary (2021: 240,000) of 1p each	2	2
102,857 B Ordinary (2021: 102,857) of 1p each	1	1
1,100 C1 Ordinary (2021: 1,100) of 1p each	-	-
79,755 C2 Ordinary (2021: 79,755) of 1p each	1	1
470 C3 Ordinary (2021: 470) of £1 each	1	1
35,000 Priority (2021: 35,000) of 1p each	-	-
	<u>5</u>	<u>5</u>

Every holder of C3 Shares is entitled to exercise 5% of total votes at general meeting, provided that the total voting rights held by all of the owners of C3 Shares shall never exceed 20%. C1 Shares, C2 Shares and Priority Shares carry no right to vote at any general meeting or on any written resolution of the Company. All remaining voting rights vest in the A Shares and the B Shares, which rank pari passu in respect of voting rights.

The A Shares and B Shares each carry certain rights with respect to the appointment of directors.

Priority Shares are not entitled to receive dividends. All other classes of share rank pari passu with respect to dividends.

Priority Shares are entitled to a Priority Return. This means if the Equity Value is more than zero and less than or equal to £3,750,000, the Equity Value; or if the equity Value is more than £3,750,000, the Tapered Value. The Tapered Value is calculated as $\text{£3,750,000} - (0.05 \times (\text{Equity Value} - \text{£3,750,000}))$. All other classes of share rank pari passu with respect to the repayment of the remaining capital.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

25 Share based payments

In the prior financial period, certain employees received remuneration in the form of a share-based payment, including holdings or rights over 'C2' Ordinary shares and Priority Shares in Excalibur Holdco Limited.

There are restrictions on the transfer of holdings and rights over shares prior to the majority shareholder's exit from the Group; and the relevant shareholders can be required to transfer their holding or rights over shares in the event of leaving employment prior to the majority shareholder's exit from the Group. See note 24 for details of the rights attached to each class of share.

The costs of issuing the 'C2' Ordinary shares and Priority shares totalled £nil (2021 - £661,000) and is recognised within exceptional costs. This comprises the legal fees associated with the issue of the shares, the bonus given to employees to purchase the shares and FRS 102 fair value adjustment on the valuation of shares issued.

The following shares were granted during the period:

		2022		2021
	Number of Shares	Weighted average fair value	Number of Shares	Weighted average fair value
		£		£
Priority Shares	0	0	35,000	9.94
C2 Ordinary Shares	0	0	8,214	30.07

The fair value of shares granted is determined using the Monte-Carlo method using the enterprise value of the Group and then applied enterprise volatility to it as it was considered that this approach would result in materially accurate estimate of the fair value of shares granted.

26 Financial commitments, guarantees and contingent liabilities

Excalibur Bidco Limited, a subsidiary of the Company, has a facilities agreement which started on 30 November 2021. Excalibur Midco Limited, Wowcher Limited and Excalibur Bidco Limited have entered a debenture granting a fixed and floating charge over their assets to the lenders of the facilities.

27 Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	428	463	-	-
Later than one year, not later than five years	243	562	-	-
	<u>671</u>	<u>1,025</u>	<u>-</u>	<u>-</u>

As at 2 October 2022, the Company had no financial commitments under non-cancellable operating leases.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

28 Related party transactions

Remuneration of key management personnel

Key management personnel are considered to be the directors. Their remuneration is as follows.

	2022	2021
	£000	£000
Aggregate compensation	1,467	1,136
	<u> </u>	<u> </u>

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

28 Related party transactions

(Continued)

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 not to disclose related party transactions with other Group companies.

DMGV Limited ("DMGV") is considered to be a related party. It is a shareholder and has influence over the Excalibur Holdco Limited by virtue of votes held and rights held under the terms of a Subscription and Shareholders' Deed relating to Excalibur Holdco Limited (the "Subscription and Shareholders' Deed").

There is a Transitional Services Agreement between the Group and DMGV. Fees of £126,000 (2021: £126,000) were payable to in the Period in return for services provided. A further £65,000 (2021: £65,000) was payable with respect to a guarantee provided to the lessor of the Company's head office premises.

Associated Newspapers Limited is considered to be a related party as it is a fellow group company of DMGV. During the year, there were purchases of £79,000 (2021: £94,000) and a year end creditor balance of £28,000 (2021: £nil).

The Company has a requirement to pay Non-Executive Director fees to DMGV. The total cost in the period was £96,000 (2021: £96,000) and at the period-end an un-invoiced balance of £nil (2021 - £8,000) was outstanding and included in creditor amounts falling due in less than one year.

The Group has loan notes owed to DMGV. At the year end, the total balance owed was £27,605,000 (2021: £27,605,000). The total interest charge on the loan notes for the year was £nil (2021: £1,433,000). The effective interest charged since the interest rate freeze totalled £1,610,000 (2021: £701,000) to give a carrying value per the accounts of £29,916,000 (2021: £28,306,000).

Exponent Private Equity (Holdings) LLP ("Exponent") is considered to be a related party. It is the ultimate controlling party on behalf of funds under its management by virtue of votes held and rights held under the terms of a Subscription and Shareholders' Deed.

The Company has a requirement to pay Non-Executive Director fees to Exponent. The total cost in the period was £114,000 (2021: £96,000) and at the period-end an un-invoiced balance of £8,000 (2021 - £8,000) was outstanding and included in creditor amounts falling due in less than one year.

The Group has loan notes owed to Exponent. At the year end, the total balance owed was £64,412,000 (2021: £64,412,000). The total interest charge on the loan notes for the year was £nil (2021: £3,344,000). The effective interest charged since the interest rate freeze totalled £3,756,000 (2021: £1,636,000) to give a carrying value per the accounts of £69,804,000 (2021: £66,048,000).

The Group also has loan notes owed to the directors. At the year end, the total balance owed was £183,000 (2021: £183,000). The total interest charge on the loan notes for the year was £nil (2021: £9,000). The effective interest charged since the interest rate freeze totalled £10,000 (2021: £5,000) to give a carrying value per the accounts of £198,000 (2021: £188,000).

The interest and balances relate to loan notes, issued by Excalibur Debtco Limited, that are listed on The International Stock Exchange (TISE) and which are held by certain shareholders in Excalibur Holdco Limited. The amount of loan notes shown in the balance sheet of £99,950,000 (2021: £94,571,000) is stated net of capitalised financing costs and includes effective interest charged as a result of the interest rate freeze on 15th April 2021.

29 Controlling party

The ultimate controlling party is Exponent Private Equity (Holdings) LLP on behalf of funds under its management.

Excalibur Holdco Limited is the ultimate parent of the Group. The registered address of Excalibur Holdco Limited is Dalston Works, 69 Dalston Lane, London, E8 2NG.

Excalibur Holdco Limited

Notes to the financial statements (continued)

For the period ended 2 October 2022

30 Cash generated from group operations

	2022 £000	2021 £000
Loss for the period after tax	(10,596)	(12,422)
Adjustments for:		
Taxation charged/(credited)	440	(160)
Finance costs	6,631	9,540
Share based payment expense	-	552
Amortisation and impairment of intangible assets	11,056	11,213
Depreciation and impairment of tangible fixed assets	247	252
(Decrease) in provisions	(496)	(41)
Movements in working capital:		
(Increase) in stocks	(833)	(1,904)
(Increase) in debtors	(170)	(1,084)
Increase/(decrease) in creditors	2,229	(251)
Cash generated from operations	8,508	5,695

31 Net debt reconciliation

	3 October 2021 £000	Cash flows £000	Other non-cash changes £000	2 October 2022 £000
Cash at bank and in hand	20,076	(10,111)	3	9,968
Bank loans and overdrafts	(25,387)	14,968	4	(10,415)
Loan notes	(94,571)	-	(5,379)	(99,950)
Net debt	(99,882)	4,857	(5,372)	(100,397)

Non-cash movements relate represent foreign exchange transaction adjustments, PIK interest on the bank loans and rolled up interest and effective interest on the loan notes.