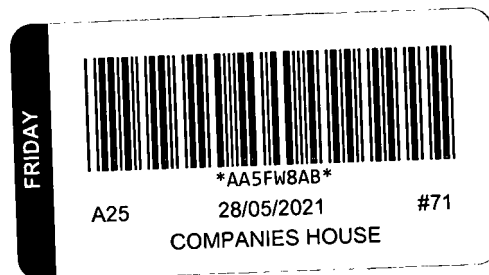


Company Registration No. 09876101 (England and Wales)

**Excalibur Holdco Limited**  
**Annual Report and Financial Statements**  
**For the period ended 27 September 2020**



# Excalibur Holdco Limited

## Company information

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<b>Directors</b>	Colin John Tenwick Roland Patrick Bryan Karen Louise Kemble-Diaz Simon Russell Davidson Christopher Michael Graham James Justin Siderfin Welsh Kevin Joseph Beatty
<b>Company number</b>	09876101
<b>Registered office</b>	Dalston Works 69 Dalston Lane London E8 2NG
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

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# Excalibur Holdco Limited

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# Excalibur Holdco Limited

## Strategic report

*For the period ended 27 September 2020*

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The directors present the strategic report for Excalibur Holdco Limited (the "Company") and its subsidiaries (the "Group") for the 52 week period ended 27 September 2020 (the "Period"). The comparative Period was the 52 weeks ended 29 September 2019.

### Results and performance

As shown in the Group's Income Statement, consolidated revenue for the period from continuing operations was £54,644,000 (2019: £46,438,000), operating profit before amortisation and exceptional costs from continuing operations was £8,614,000 (2019: £6,169,000). The loss before taxation from continuing operations was £14,317,000 (2019: £15,955,000), primarily reflecting interest payable in respect of loan notes, together with the amortisation of goodwill and intangible assets arising on business combinations.

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 21.6 million (2019: 19.8 million).

The total Shareholders' deficit as at 27 September 2020 was £70,323,000 (2019: £57,839,000)

### 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.

#### *Cash flow risk*

Management is responsible for managing the Group's liquidity and ensuring that the Group has sufficient available funds for operations as they arise. Cash flow risk is managed by ensuring sufficient resources are available to meet trading cash flows through appropriate banking facilities.

#### *Covid-19*

The directors have undertaken a rigorous assessment of the potential impact of Covid-19 on the Group. The continued implementation of stay at home orders, measures requiring the closure of local businesses and other protective measures implemented by governments and our merchants have resulted in disruptions to our operations. The negative impact on our business is expected to continue at least as long as customers and merchants remain impacted by governmental measures. This risk is offset by the continued trading of our goods business which has been unaffected by protective measures implemented due to Covid-19. The Group continues to trade well and is seeing strong demand within our good business.

# Excalibur Holdco Limited

## Strategic report (continued)

*For the period ended 27 September 2020*

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### Key performance indicators

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

	Unit	Period ended 27 September 2020	Period ended 29 September 2019
Turnover	£000	54,644	46,438
Operating profit before restructuring costs and amortisation	£000	8,614	6,169
Operating profit margin rate before restructuring costs and amortisation	% of turnover	16%	13%
Employees from continuing activities (average number)	FTE	290	300
Revenue per employee	£000	188	155

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.

### Events after the reporting date

There were no significant post balance sheet events affecting the financial position of the Group which would require adjustment to the financial statements.

# Excalibur Holdco Limited

## Strategic report (continued)

*For the period ended 27 September 2020*

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### 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 corporate responsibility review in the Directors' Report below.

#### *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*

As a business that promotes services online, the Group's environmental impact is limited to its office space. During the period ended 27 September 2020, the Group moved its London operations into a newer more energy efficient building. In addition, the Group carried out an ESOS audit, which was signed off by the directors. The audit identified energy saving opportunities for the Group to implement.

#### *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**

28 January 2021

# Excalibur Holdco Limited

## Directors' report

***For the period ended 27 September 2020***

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The directors present their annual report and audited consolidated financial statements for the Period ended 27 September 2020.

### **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  
Roland Patrick Bryan  
Karen Louise Kemble-Diaz  
Simon Russell Davidson  
Christopher Michael Graham  
James Justin Siderfin Welsh  
Kevin Joseph Beatty

### **Results and dividends**

The results for the Period are set out on page 10.

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.

### **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.

# Excalibur Holdco Limited

## Directors' report (continued)

*For the period ended 27 September 2020*

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### 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.

### Energy and carbon reporting

#### *Methodology used*

This report has been compiled in line with the "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019".

#### *Energy consumption and Green House Gas emissions*

Scope	Emission Source	Period ending 27 September 2020	
		Energy (kWh)	Emissions (tCO <sub>2</sub> e)
Scope 1	Gaseous Fuel	97,529	17.9
Scope 2	Grid Electricity	536,157	137
Scope 3	Grey Fleet	46,408	11.9
<b>Total</b>		<b>680,094</b>	<b>166.9</b>

#### *CO<sub>2</sub> intensity ratio*

Type	Units	Period ending 27 September 2020
Occupancy	tCO <sub>2</sub> e/FTE employees	0.37

#### *Energy efficiency actions taken*

During the period ended 27 September 2020, the Group moved its London operations into a newer more efficient building.



# **Excalibur Holdco Limited**

## **Directors' report (continued)**

***For the period ended 27 September 2020***

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### **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 £20,625,000 of term borrowings. The interest rate cap, which commenced on 31 March 2017 and matures on 31 March 2021, has the effect of limiting the LIBOR paid on relevant borrowings to a maximum rate of 1.20%.

The Company entered into an additional 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%.

On behalf of the board



Roland Patrick Bryan

**Director**

28 January 2021

# **Excalibur Holdco Limited**

## **Directors' responsibilities statement**

***For the period ended 27 September 2020***

---

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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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.

## Excalibur Holdco Limited

# ***Independent auditors' report to the members of Excalibur Holdco Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Excalibur Holdco Limited'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 27 September 2020 and of the group's loss and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- 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 Financial Statements (the "Annual Report"), which comprise: the group and company statement of financial positions as at 27 September 2020; the group income statement and group statement of comprehensive income, the group statement of cash flows, and the group and company statements of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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### **Reporting on other information**

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.

# Excalibur Holdco Limited

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 period ended 27 September 2020 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.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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.

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](http://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.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

- we have not received 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.



Jennifer Dickie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
28 January 2021

# Excalibur Holdco Limited

## Group income statement For the period ended 27 September 2020

		Period ended 27 September 2020 £000	Period ended 29 September 2019 £000
	Notes		
Turnover	3	54,644	46,438
Cost of sales		(4,383)	(1,215)
<b>Gross profit</b>		<b>50,261</b>	<b>45,223</b>
Administrative expenses		(41,647)	(39,054)
<b>Operating profit before amortisation and exceptional costs</b>	5	<b>8,614</b>	<b>6,169</b>
Amortisation of intangible assets, including goodwill		(11,899)	(12,004)
Exceptional costs	4	(367)	-
<b>Operating loss</b>	5	<b>(3,652)</b>	<b>(5,835)</b>
Interest payable and similar expenses	9	(10,665)	(10,120)
<b>Loss before taxation</b>		<b>(14,317)</b>	<b>(15,955)</b>
Tax on loss	10	1,810	2,181
<b>Loss for the financial period</b>		<b>(12,507)</b>	<b>(13,774)</b>

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 27 September 2020*

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	Period ended 27 September 2020 £000	Period ended 29 September 2019 £000
<b>Loss for the Period</b>	(12,507)	(13,774)
<b>Other comprehensive income/(expense)</b>		
Currency translation differences	23	(1)
<b>Total comprehensive expense for the Period</b>	<u>(12,484)</u>	<u>(13,775)</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 27 September 2020

	Notes	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Fixed assets</b>					
Goodwill	11	12,004	14,328	-	-
Other intangible assets	11	36,688	43,909	-	-
Total intangible assets		48,692	58,237	-	-
Tangible assets	12	635	106	-	-
Investments	13	-	-	344	344
		49,327	58,343	344	344
<b>Current assets</b>					
Stocks	16	226	36	-	-
Debtors	17	895	927	28	12
Cash at bank and in hand		21,053	12,018	-	-
		22,174	12,981	28	12
<b>Creditors: amounts falling due within one year</b>	18	(30,307)	(22,506)	(1,176)	(899)
<b>Net current liabilities</b>		(8,133)	(9,525)	(1,148)	(887)
<b>Total assets less current liabilities</b>		41,194	48,818	(804)	(543)
<b>Creditors: amounts falling due after more than one year</b>	19	(105,656)	(99,210)	-	-
<b>Provisions for liabilities</b>					
Provisions	21	(934)	(704)	-	-
Deferred tax liability	22	(4,927)	(6,743)	-	-
		(5,861)	(7,447)	-	-
<b>Net liabilities</b>		(70,323)	(57,839)	(804)	(543)
<b>Capital and reserves</b>					
Called up share capital	24	5	5	5	5
Share premium account		419	419	419	419
Profit and loss account		(70,747)	(58,263)	(1,228)	(967)
<b>Total shareholders' deficit</b>		(70,323)	(57,839)	(804)	(543)

# **Excalibur Holdco Limited**

## **Group and company statement of financial positions (continued)**

***As at 27 September 2020***

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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 £261,000 (2019 - £289,000 loss).

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors and authorised for issue on 28 January 2021 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 27 September 2020

	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 October 2018</b>	5	419	(44,488)	(44,064)
<b>Period ended 29 September 2019:</b>				
Loss for the period	-	-	(13,774)	(13,774)
Other comprehensive expense:				
Currency translation differences	-	-	(1)	(1)
Total comprehensive expense for the period	-	-	(13,775)	(13,775)
<b>Balance at 29 September 2019</b>	5	419	(58,263)	(57,839)
<b>Period ended 27 September 2020:</b>				
Loss for the period	-	-	(12,507)	(12,507)
Other comprehensive income:				
Currency translation differences	-	-	23	23
Total comprehensive expense for the period	-	-	(12,484)	(12,484)
<b>Balance at 27 September 2020</b>	5	419	(70,747)	(70,323)

# Excalibur Holdco Limited

## Company statement of changes in equity

*For the period ended 27 September 2020*

	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 October 2018</b>	5	419	(678)	(254)
<b>Period ended 29 September 2019:</b>				
Loss and total comprehensive expense for the period	-	-	(289)	(289)
<b>Balance at 29 September 2019</b>	5	419	(967)	(543)
<b>Period ended 27 September 2020:</b>				
Loss and total comprehensive expense for the period	-	-	(261)	(261)
<b>Balance at 27 September 2020</b>	5	419	(1,228)	(804)

# Excalibur Holdco Limited

## Group statement of cash flows For the period ended 27 September 2020

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	30	11,639	6,662
Income taxes refunded		6	69
<b>Net cash generated from operating activities</b>		<u>11,645</u>	<u>6,731</u>
<b>Investing activities</b>			
Purchase of intangible assets		(2,354)	(2,749)
Purchase of tangible fixed assets		(702)	(11)
Proceeds from other loans		-	48
<b>Net cash used in investing activities</b>		<u>(3,056)</u>	<u>(2,712)</u>
<b>Financing activities</b>			
Interest paid		(1,761)	(1,377)
Debt issue costs incurred		(47)	-
Proceeds of new bank loans		4,750	-
Repayment of bank loans		(2,500)	(4,140)
<b>Net cash generated from/(used in) financing activities</b>		<u>442</u>	<u>(5,517)</u>
<b>Cash on disposal of subsidiary</b>		<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>9,031</u>	<u>(1,498)</u>
<b>Cash and cash equivalents at beginning of Period</b>		12,018	13,516
Effect of foreign exchange rates		4	-
<b>Cash and cash equivalents at end of Period</b>		<u>21,053</u>	<u>12,018</u>

# **Excalibur Holdco Limited**

## **Notes to the financial statements**

***For the period ended 27 September 2020***

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### **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 27 September 2020. 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 27 September 2020*

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### 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 27 September 2020 consists of 52 weeks (2019: 52 weeks).

#### 1.5 Turnover

##### *Daily voucher deals*

The Group generates revenue through the sale and issue of vouchers 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 27 September 2020*

### 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	2-3 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 cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Plant and 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 27 September 2020*

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### 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 27 September 2020*

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### 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 27 September 2020*

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### 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.

### 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.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

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### 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 27 September 2020*

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### 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.
- Profit and loss reserves represents cumulative profits or losses, net of dividends paid and other adjustments.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 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 and estimates**

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.

#### ***Fair values on acquisition of subsidiaries***

The fair value of tangible and intangible assets acquired on the acquisitions of Wowcher Limited, LivingSocial Limited, LivingSocial Europe Limited and Secret Sales Limited involved the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation of the fair values requires the combination of assumptions including revenue growth, future margin rates and the differential income attributable to each business' respective brand. In addition the use of discount rates requires judgement.

#### ***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.

#### ***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.

### 3 Turnover

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

	2020 £000	2019 £000
<b>Turnover</b>		
Daily voucher deals	48,564	45,803
Sale of goods	6,080	635
	<u>54,644</u>	<u>46,438</u>

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

For the period ended 27 September 2020

<b>3</b>	<b>Turnover</b>	<b>(Continued)</b>	
	Turnover analysed by geographical market		
		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	United Kingdom	52,118	44,613
	Republic of Ireland	2,526	1,825
		<u>54,644</u>	<u>46,438</u>
<b>4</b>	<b>Exceptional costs</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Exceptional costs	367	-
		<u>367</u>	<u>-</u>
<b>5</b>	<b>Operating loss</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Operating loss for the period is stated after charging:		
	Exchange losses	124	46
	Research and development costs	259	7
	Depreciation of owned tangible fixed assets	173	155
	Amortisation of intangible assets	11,899	12,004
	Operating lease charges	525	583
		<u></u>	<u></u>
<b>6</b>	<b>Auditors' remuneration</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Fees payable to the Company's auditors and their associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the Group and Company	123	113
		<u></u>	<u></u>
	<b>For other services</b>		
	Other assurance services	4	4
		<u></u>	<u></u>

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 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:

	<b>Group 2020 Number</b>	<b>Group 2019 Number</b>	<b>Company 2020 Number</b>	<b>Company 2019 Number</b>
Sales & marketing	174	187	-	-
Administration & support	116	113	-	-
	<u>290</u>	<u>300</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2020 £000</b>	<b>Company 2019 £000</b>
Wages and salaries	11,941	11,859	-	-
Social security costs	1,303	1,247	-	-
Other pension costs	446	385	-	-
	<u>13,690</u>	<u>13,491</u>	<u>-</u>	<u>-</u>
Total staff costs	13,690	13,491	-	-
Amounts capitalised	(1,394)	(1,347)	-	-
	<u>12,296</u>	<u>12,144</u>	<u>-</u>	<u>-</u>
Staff costs charged to profit and loss	12,296	12,144	-	-

Included within wages and salaries is £399,000 (2019: £nil) received in respect of the job retention scheme.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 8 Directors' remuneration

	2020 £000	2019 £000
Remuneration for qualifying services	968	913
Company pension contributions to defined contribution schemes	12	10
	<u>980</u>	<u>923</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

The number of directors who exercised share options during the year was 0 (2019 - 0).

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

	2020 £000	2019 £000
Remuneration for qualifying services	633	594
Company pension contributions to defined contribution schemes	12	10
	<u>645</u>	<u>604</u>

The highest paid director has exercised share options during the Period or prior Period.

### 9 Interest payable and similar expenses

	2020 £000	2019 £000
Interest on bank overdrafts and loans	10,029	9,493
Amortisation of finance costs	636	627
	<u>10,665</u>	<u>10,120</u>

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 10 Tax on loss

	2020 £000	2019 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	7	1
Adjustment in respect of prior periods	(1)	4
Total current tax	6	5
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,816)	(2,186)
Total tax credit	(1,810)	(2,181)

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:

	2020 £000	2019 £000
Loss before taxation	(14,317)	(15,955)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(2,720)	(3,031)
Tax effect of expenses that are not deductible in determining taxable profit	2,474	2,391
Tax effect of utilisation of tax losses not previously recognised	(80)	-
Adjustment in respect of prior periods	(1)	4
Permanent capital allowances in excess of depreciation	15	-
Effect of overseas tax rates	(6)	2
Deferred tax adjustment in respect of prior periods	(34)	-
Income tax withheld	-	1
R&D expenditure credits	(40)	1
Deferred tax not recognised	171	872
Other tax adjustments reliefs and transfers	(1,589)	(2,421)
Taxation credit for the period	(1,810)	(2,181)

There is an unrecognised deferred tax asset of £8,390,000 (2019: £8,358,000).

Legislation was enacted in September 2016 to reduce the UK corporation tax rate to 17.0% from 1 April 2020. Accordingly, for the year ended 29 September 2019, the UK deferred tax balances are measured at 17.0% as this was the tax rate that would have applied on reversal unless the timing difference was expected to reverse before April 2020, in which case the appropriate tax rate was used. Further legislation was enacted during the year ended 27 September 2020 to cancel the reduction in UK corporation tax and the 19.0% rate of corporation tax is applicable for future periods. Therefore, for the year ended 30 September 2020 the UK deferred tax balances have been restated to 19.0% as this is the rate that will apply on the reversal of the temporary differences.



# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 11 Intangible assets

Group	Goodwill	Software Subscriber list	Brand names & trademark	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 30 September 2019	23,235	10,615	48,156	16,405
Additions - internally developed	-	2,354	-	-
At 27 September 2020	23,235	12,969	48,156	16,405
<b>Accumulated amortisation and impairment</b>				
At 30 September 2019	8,907	6,518	18,461	6,288
Amortisation charged for the Period	2,324	3,119	4,816	1,640
At 27 September 2020	11,231	9,637	23,277	7,928
<b>Carrying amount</b>				
At 27 September 2020	12,004	3,332	24,879	8,477
At 29 September 2019	14,328	4,097	29,695	10,117

The Company had no intangible fixed assets at 27 September 2020 or 29 September 2019.

During the period, the Group received grant income in respect of it's software development totalling £127,000 (2019: £141,000).

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

	Carrying Amount (£000) 27 September 2020 £000	Remaining Amortisation Period (Years) 27 September 2020
<b>Acquired on business combination</b>		
Wowcher brand and trade marks	7,050	5 years, 2 months
Wowcher subscriber list	24,879	5 years, 2 months
LivingSocial brand and trade marks	1,427	5 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 27 September 2020 of 5 years 2 months.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 12 Tangible assets

Group	Plant and equipment
	£000
<b>Cost</b>	
At 30 September 2019	771
Additions	702
Disposals	(82)
	<hr/>
At 27 September 2020	1,391
	<hr/>
<b>Accumulated depreciation and impairment</b>	
At 30 September 2019	665
Depreciation charged in the Period	173
Eliminated in respect of disposals	(82)
	<hr/>
At 27 September 2020	756
	<hr/>
<b>Carrying amount</b>	
At 27 September 2020	635
	<hr/>
At 29 September 2019	106
	<hr/>

The Company had no tangible fixed assets at 27 September 2020 or 29 September 2019.

### 13 Investments

	Notes	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Investments in subsidiaries	14	-	-	344	344
Loans to subsidiaries	14	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		-	-	344	344
		<hr/>	<hr/>	<hr/>	<hr/>

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

For the period ended 27 September 2020

### 13 Investments

(Continued)

#### Movements in investments Group

Loan Notes  
£000

#### Cost or valuation

At 30 September 2019

1,000  
(636)

At 27 September 2020

364

#### Accumulated Impairment

At 30 September 2019

1,000  
(636)

At 27 September 2020

364

#### Carrying amount

At 27 September 2020

-

At 29 September 2019

-

#### Company

Shares in  
group  
undertakings  
£000

#### Cost or valuation

At 30 September 2019 and 27 September 2020

344

#### Carrying amount

At 27 September 2020

344

At 29 September 2019

344

During the period ended 30th September 2018, loan notes with zero coupon rate and a nominal value of £1,000,000 were issued by Secret Bidco Limited to the Group. During the Period, Secret Bidco Limited entered administration and was purchased by Lifestyle Retail Group Limited. As part of this purchase, the loan notes were passed to Lifestyle Retail Group Limited at a reduced value of £364,000. The notes shall be repaid in full by 31 October 2023 or (if earlier) on the occurrence of a sale of the issuer or winding up of the issuer. Where the exit proceeds exceed a certain value, an additional balance will become receivable. Due to the uncertainty regarding recoverability of the loan note balance, these have been stated in the accounts with a net book value of £nil.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

For the period ended 27 September 2020

### 14 Subsidiaries

Details of the Company's subsidiaries at 27 September 2020 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 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	57	95	-	9
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	137,027	123,554	1,176	899

### 16 Stocks

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Raw materials and consumables	226	36	-	-

Stocks are stated after provisions for impairment of £4,000 (2019: Nil).

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 17 Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Amounts falling due within one year:</b>				
Trade debtors	19	39	-	-
Corporation tax recoverable	237	239	-	-
Amounts owed by group undertakings	-	-	-	1
Other debtors	38	56	-	8
Prepayments and accrued income	601	593	28	3
	<u>895</u>	<u>927</u>	<u>28</u>	<u>12</u>

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

### 18 Creditors: amounts falling due within one year

	Notes	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	20	7,250	2,500	-	-
Trade creditors		4,668	3,361	48	25
Amounts owed to group undertakings		-	-	1,086	832
Taxation and social security		984	800	-	-
Other creditors		11,836	11,266	-	-
Accruals and deferred income		5,569	4,579	42	42
		<u>30,307</u>	<u>22,506</u>	<u>1,176</u>	<u>899</u>

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

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

For the period ended 27 September 2020

### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	20	20,263	22,317	-	-
Loan notes	20	87,441	79,531	-	-
Unamortised loan issue costs		(2,048)	(2,638)	-	-
		<u>105,656</u>	<u>99,210</u>	<u>-</u>	<u>-</u>

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

Amounts included above which fall due after five years are as follows:

Loan notes	<u>87,441</u>	<u>79,531</u>	<u>-</u>	<u>-</u>
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### 20 Loans and overdrafts

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	27,513	24,817	-	-
Loan notes	87,441	79,531	-	-
	<u>114,954</u>	<u>104,348</u>	<u>-</u>	<u>-</u>
Payable within one year	7,250	2,500	-	-
Payable after one year	<u>107,704</u>	<u>101,848</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years:

Loan notes	<u>87,441</u>	<u>79,531</u>	<u>-</u>	<u>-</u>
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# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 20 Loans and overdrafts

(Continued)

The Group has Fixed Rate Unsecured Loan Notes with a nominal value £57,836,000 in issue of which £57,833,000 is due to related parties. See the related party note for details. Interest is calculated at a fixed rate of 10% per annum and the final date for the repayment of the nominal value and accrued interest is 31 December 2025. The total accrued interest on the Loan Notes as at 27 September 2020 is £29,605,000. Issue costs of £2,258,000 were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss over the term of the loan.

In addition, the Group has 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 accrues interest at LIBOR plus 3% and the unitranche term loan accrues interest at 10.8% plus the higher of 0.5% and LIBOR. The term loans include £7,500,000 that will be repayable in instalments up to the 30 June 2022, with the remaining balance repayable on 16 December 2022. The revolving credit facility is committed until June 2022.

### 21 Provisions

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Merchant provisions	779	460	-	-
Loyalty scheme	72	92	-	-
Dilapidations provision	83	152	-	-
	<u>934</u>	<u>704</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	Merchant provisions £000	Loyalty scheme £000	Dilapidations provision £000	Total £000
At 30 September 2019	460	92	152	704
Additional provisions in the year	588	73	-	661
Reversal of provision	(18)	-	-	(18)
Utilisation of provision	(251)	(93)	(69)	(413)
At 27 September 2020	<u>779</u>	<u>72</u>	<u>83</u>	<u>934</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.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 22 Deferred tax liability

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

	Liabilities 2020 £000	Liabilities 2019 £000
<b>Group</b>		
Accelerated capital allowances	(123)	(64)
Tax losses	(458)	(196)
Arising on consolidation - brand and subscriber list acquired	5,244	6,833
Short term timing differences	264	170
	<u>4,927</u>	<u>6,743</u>

The Company has no deferred tax assets or liabilities.

	Group 2020 £000	Company 2020 £000
<b>Movements in the Period:</b>		
Liability at 30 September 2019	6,743	-
Credit to profit or loss	(1,816)	-
	<u>4,927</u>	<u>-</u>
Liability at 27 September 2020	<u>4,927</u>	<u>-</u>

The brand and subscriber list acquired is net of future interest deductions of £1,094,000 (2019: £nil). 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

	2020 £000	2019 £000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	446	385
	<u>446</u>	<u>385</u>

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 £72,000 outstanding at 27 September 2020 (2019: £66,000).



# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 24 Called up share capital

	Group and Company	
	2020	2019
	£000	£000
<b>Ordinary share capital</b>		
<b>Authorised</b>		
240,000 A Ordinary (2019: 240,000) of 1p each	2	2
102,857 B Ordinary (2019: 102,857) of 1p each	1	1
1,100 C1 Ordinary (2019: 1,100) of 1p each	-	-
85,989 C2 Ordinary (2019: 85,989) of 1p each	1	1
470 C3 Ordinary (2019: 470) of £1 each	1	1
	<u>5</u>	<u>5</u>
<b>Issued and fully paid</b>		
240,000 A Ordinary (2019: 240,000) of 1p each	2	2
102,857 B Ordinary (2019: 102,857) of 1p each	1	1
1,100 C1 Ordinary (2019: 1,100) of 1p each	-	-
79,755 C2 Ordinary (2019: 79,755) of 1p each	1	1
470 C3 Ordinary (2019: 470) of £1 each	1	1
	<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 and C2 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.

All classes of share rank pari passu with respect to income, dividends, capital and redemption.

### 25 Share based payments

In both the prior and current financial periods, certain key employees of the Group received rights over C2 Ordinary shares, either in the form of a direct shareholding or a beneficial interest in shares held by the Wowcher Employee Benefit Trust.

There are restrictions on the transfer of holdings and rights over shares prior to the majority shareholder's exit from the Company; 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 Company.

The C1, C2 and C3 Ordinary shares rank pari passu with all other classes of share with respect to income, dividends, capital and redemption.

### 26 Financial commitments, guarantees and contingent liabilities

Excalibur Bidco Limited, a subsidiary of the Company, has a facilities agreement which started on 16 December 2016. 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.

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 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:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within one year	330	306	-	-
Later than one year, not later than five years	1,006	164	-	-
	<u>1,336</u>	<u>470</u>	<u>-</u>	<u>-</u>

As at 29 September 2019, the Company had no financial commitments under non-cancellable operating leases.

### 28 Related party transactions

#### Remuneration of key management personnel

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Aggregate compensation	<u>980</u>	<u>923</u>

# Excalibur Holdco Limited

## Notes to the financial statements (continued)

*For the period ended 27 September 2020*

### 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.

DMG Media Investments Limited ("DMG Media") is considered to be a related party. It is a shareholder and has significant 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 Wowcher Limited and DMG Media. Fees of £126,000 (2019 - £126,000) were payable to DMG Media in the Period in return for services provided. A further £65,000 (2019 - £56,000) was payable in respect of a guarantee provided by DMG Media to the lessor of Wowcher Limited's head office premises.

The Company has a requirement to pay Non-Executive Director fees to DMG Media. The total cost in the period was £96,000 (2019: £96,000) and at the period-end an un-invoiced balance of £8,000 (2019 - £8,000) was outstanding and included in creditor amounts falling due in less than one year.

The Group has loan notes owed to DMG Media. At the year end, the total balance owed was £26,172,000 (2019: £23,805,000). The total interest charge on the loan notes for the year was £2,367,470 (2019: £2,158,667).

Exponent Private Equity 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 £97,000 (2019: £97,000) and at the period-end an un-invoiced balance of £8,000 (2019 - £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 £61,068,000 (2019: £55,544,000). The total interest charge on the loan notes for the year was £5,524,000 (2019: £5,037,000).

The group also has loan notes owed to the directors. At the year end, the total balance owed was £174,000 (2019: £158,000). The total interest charge on the loan notes for the year was £16,000 (2019: £14,000). On 26 March 2018, £20,000 of loan notes and £1,000 of accrued interest were transferred to a non-related party.

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 £86,261,000 (2019: £78,128,097) is stated net of capitalised financing costs.

### 29 Controlling party

The ultimate controlling party is Exponent Private Equity 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 27 September 2020*

### 30 Cash generated from group operations

	2020 £000	2019 £000
Loss for the period after tax	(12,507)	(13,774)
Adjustments for:		
Taxation credited	(1,810)	(2,181)
Finance costs	10,665	10,120
Amortisation and impairment of intangible assets	11,899	12,004
Depreciation and impairment of tangible fixed assets	173	155
Increase/(decrease) in provisions	230	(465)
Movements in working capital:		
(Increase) in stocks	(190)	(36)
Decrease in debtors	77	811
Increase in creditors	3,102	28
<b>Cash generated from operations</b>	<b>11,639</b>	<b>6,662</b>