Darwin Bidco Limited

Annual report and financial statements

Registered number 10052864

31 December 2019

Contents

Strategic Report

Principal Activity

The principal activity of the company is the provision of management and administration services to its subsidiary companies.

Results and Performance

The results for the period, as set out on pages 6-19, show a loss on ordinary activities before tax of £9,088k (2018: £1,445k. The equity deficit of the company totals £12,463k (2018: £3,375k).

Risks and Uncertainties

COVID-19 has had a significant impact on the hospitality sector during 2020, with hotels mandated by Government to close from March 2020 for a significant proportion of the year. Once permitted to open further severe restrictions have been placed on the sector, limiting the ability to return operations to normal; dramatically reducing occupancy and free cash flow for many hotels. Managing COVID-19 in response to this situation, our focus has been to minimise the level of cash outflows within the organisation, whilst ensuring our services remain available to all our customers. Actions included: reducing all expenditure, including capital spend, to essential spend only, taking advantage of the Government furlough scheme with >25% of employees being furloughed, introducing reduced working hours for all employees, securing covenant amendments and waivers in our bank facilities and accessing Government relief, including time to pay schemes. Most importantly we would like to thank all our people for their perseverance through this challenging time. As businesses come out of lockdown and with a vaccine on the horizon we expect trade to begin returning to normal levels during Q1 2022.

Brexit

Given the ongoing economic uncertainty over the outcome of the Brexit negotiations the Company recognises that it faces financial, market and regulatory risks, particularly in the case of a 'No-Deal' Brexit. The Company has reviewed how it would maintain operations within its existing client base and continue to win new business internationally in the event of a 'No-Deal' Brexit. As a result of this review it has taken a number of steps to mitigate these risks as far as possible. To date the Company's commercial activities are unaffected by the Brexit issue apart from any impact it has had on the wider market.

Future Developments

There are no proposed future developments.

By order of the board of directors on 16th December 2020 and signed on its behalf by:

Andrew Galloway
Director

16th December 2020

Directors' report

Proposed dividend

During the year the company did not pay dividends (2018: £nil). The directors do not recommend payment of a dividend.

Directors

The directors who held office during the year were as follows:

A Galloway
T J Seddon
M J Scott
A McGregor

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board of directors on 16th December 2020 and signed on its behalf by:

Andrew Galloway

Andrew Galloway
Director

C/O Riverside Europe Partners LLP
St Martin's Courtyard
17 Slingsby Place
5th Floor
London
United Kingdom
WC2E 9AB

16th December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 of 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARWIN BIDCO LIMITED

Opinion

We have audited the financial statements of Darwin Bidco Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 to the financial statements which describes uncertainties regarding the forecast trading levels for the next 12 months as a result of the COVID 19 pandemic. As a result under certain modelled scenarios the Group, of which the company is a member, could breach its bank covenants or have insufficient liquidity within the next 12 months. These events and conditions, along with the other matters explained in note 1.3, constitute a material uncertainty that may cast significant doubt on the group's and the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Stephen Ward

Stephen Ward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snow Hill
Snow Hill Queensway
Birmingham

17th December 2020

Statement of Profit and Loss Account and Other Comprehensive Income
for the year to 31 December 2019

	Note	**12 months ended 31.12.19 £000**	13 months ended 31.12.18 £000
Revenue	*2*	**860**	853
Cost of sales		**(819)**	(813)
Gross Profit		**41**	40
Administrative expenses		**(476)**	(286)
Operating Loss		**(435)**	(246)
Financial expenses	*4*	**(1,253)**	(1,199)
Impairment of investment	*5*	**(7,400)**	-
Loss before tax	*7*	**(9,088)**	(1,445)
Taxation		**-**	-
Loss for the year/period		**(9,088)**	(1,445)

There were no recognised gains or losses in the period other than those disclosed in the profit and loss account.

All amounts relate to continuing operations.

The notes on pages 9 to 20 form part of these financial statements

Balance Sheet
at 31st December 2019

	Note		2019 £000		2018 £000
Non-current assets					
Investments	5	**65,487**		72,887	
Current assets					
Other receivables	6	**50**		42	
Cash and cash equivalents		**1**		312	
			51		354
Total assets			**65,538**		73,241
Current Liabilities					
Trade and other payables	8	**(1,148)**		(1,387)	
			(1,148)		(1,387)
Non current liabilities					
Other interest-bearing loans and borrowings	9	**(76,853)**		(75,229)	
			(76,853)		(75,229)
Total liabilities			**(78,001)**		(76,616)
Net liabilities			**(12,463)**		(3,375)
Equity					
Share capital	10		**-**		-
Retained earnings			**(12,463)**		(3,375)
Total Equity			**(12,463)**		(3,375)

These financial statements were approved by the board of directors on 16th December 2020 and were signed on its behalf by:

Andrew Galloway
Director

Company registered number: 10052864

The notes on pages 9 to 20 form part of these financial statements

Statement of Changes in Equity

	Share capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 December 2017	-	(1,930)	(1,930)
Total comprehensive income for the period			
Loss for the period	-	(1,445)	(1,445)
Total comprehensive income for the period	-	(3,375)	(3,375)
Transactions with owners, recorded directly in equity			
Issue of share capital	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2018	-	(3,375)	(3,375)
Balance at 1 January 2019	-	(3,375)	(3,375)
Total comprehensive income for the year			
Loss for the year	-	(9,088)	(9,088)
Total comprehensive income for the year	-	(9,088)	(9,088)
Balance at 31st December 2019	**-**	**(12,463)**	**(12,463)**

The notes on pages 9 to 20 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Darwin Bidco Limited (the "Company") is a company limited by shares, incorporated, and domiciled in the UK and registered in England and Wales. The Registered number is 10052864 and the registered address is Guestline House, Shrewsbury Business Park, Shrewsbury SY2 6LG.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")* and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. All amounts in the financial statements have been rounded to the nearest £1,000, except for note 18 on Capital and Reserves, which is shown in absolute amounts.

The Company's ultimate parent undertaking, Darwin Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Darwin Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from c/o Riverside Europe Partners LLP, St Martin's Courtyard, 17 Slingsby Place, 5th Floor, London WC2E 9AB.

The Company is exempt by virtue of s401of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

In these Financial statements the company has applied the exemptions available under FRS 101 in respect of the following disclosures

- disclosures in respect of capital management
- effects of new but not yet effective IFRS's
- disclosures in respect of transactions with wholly owned subsidiaries

The accounting policies set out below have been applied consistently in these financial statements. The comparatives are for a period of 13 months and the current year is for a period of 12 months.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

Notwithstanding net liabilities of £12.5 million as at 31 December 2019 and a loss for the year then ended of £9.1 million the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Darwin Topco Group (being Darwin Topco Limited and subsidiary undertakings), of which the Company is a member, is funded through combination of bank loans, unsecured shareholders loans and cash generated through operating profits. These comprised of £20.17 million of bank loans outstanding at year end, a Revolving Credit Facilities of £3.33 million, of which £1.25 million was drawn at 31 December 2019, £68 million of preference shares and £6 million of Management Loan notes. Subsequent to the balance sheet date on the 5 November 2020 a refinance took place, whereby two additional Revolving Credit Facilities were made available which amounted to £3.95 million; in addition the investor made available an additional £2.55 million which is held in guarantee of the RCF in the Bank of Montreal. This additional injection superseded the previous refinance on 25 November 2019.

Darwin Topco Limited (through its subsidiary Darwin Holdco Limited and Guestline Limited) has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes *(continued)*

1.3 Going concern (continued)

The Directors have prepared cash flow forecasts and accompanying covenant compliance calculations for the period to 31 December 2022, including a severe but plausible downside scenario. This scenario includes the modelling of a third lockdown in January and February 2021 and a continuation of significant regional restrictions on the hospitality sector until the summer 2021 with trading levels only returning to pre COVID-19 budgeted levels during Q1 2022 which include the pre COVID-19 growth projections. The business continues to benefit from multiyear contracts with its customers, which include charging recurring monthly SaaS fees, helping to support the continued growth projections. This assessment has taken in to account the current measures being put in place by the Group to preserve cash and reduce discretionary expenditure during a period when the Group's customer base have had to temporarily close many sites as a result of enforcement action by the UK Government. The Group's financial modelling assumes reduced revenue as a result of COVID-19.

Under both the base case and the severe but plausible downside model, the cash flow forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due and the Directors currently believe the Group can maintain sufficient liquidity within its debt and financing facilities. Whilst the UK's economic outlook resulting from the global COVID-19 pandemic remains uncertain, the Directors have considered the impact to the Group by conducting scenario analysis on the Group's profitability, the availability of cash to meet liabilities as they fall due and its compliance with the debt covenant. Additionally, the Directors continue to assess the ability to refinance in each scenario.

The Directors have also assessed the impact of a more severe but plausible downside on the Group were there to be an even longer period of enforced closure and greater reductions in revenues resulting from changes in underlying public behaviours on the hospitality sector. Under certain of these scenarios the Group could breach its bank covenants or have insufficient liquidity within the next 12 months. Whilst there are a number of mitigating actions that Directors could carry out to reduce the impact on its cashflows and liquidity including i) additional reductions in expenditure at certain times to improve liquidity; (ii) utilisation of further UK Government measures to assist companies with the impact of the COVID-19 pandemic including financial support to pay 80% of wages for staff retained and flexibility on VAT and PAYE payments; and (iii) the potential of the Group to access additional debt, the Directors have concluded that the potential impact of the COVID-19 pandemic described above and uncertainty over possible mitigating actions represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Company's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes *(continued)*

1.5 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.7 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the profit and loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit and loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes *(continued)*

1.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributioı into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits wi: required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre rate that reflects risks specific to the liability.

1.10 Revenue

Revenues represent the amounts (excluding value added tax) derived from the provision of goods and servic customers during the period. In respect of long-term contracts and contracts for on-going services, turnover repres the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long- contracts and contracts for on-going services is recognised by reference to the stage of completion. Work in prog is valued on the basis of estimated completed sales value by the balance sheet date.

1.11 Expenses

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance le recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, anc foreign exchange losses that are recognised in the income statement (see foreign currency accounting pol Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that tak substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income com interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest met Dividend income is recognised in the income statement on the date the entity's right to receive paymen established. Foreign currency gains and losses are reported on a net basis.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income state except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates ena or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for fina reporting purposes and the amounts used for taxation purposes. The following temporary differences are not prov for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the e that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expe manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substanti enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be avail against which the temporary difference can be utilised.

1.13 Impairment losses on receivables

The Group reviews its receivables to assess impairment at least on an annual basis. The credit risk is primarily attribut to its trade receivables. In determining whether impairment losses should be reported in the profit or loss, the G makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estim future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or cond which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Notes *(continued)*

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income stater except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates ena or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year:

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Notes *(continued)*

2 Revenue

	12 months ended 31.12.19 £000	13 months ended 31.12.18 £000
Service fee income	**860**	853

As per the management services agreement with Guestline Limited, subsidiary of the company, a markup is charged by the Holding Company for services as defined in their agreement, incurred by the company on behalf of the subsidiary.

3 Staff numbers and costs

	Number of employees	
	12 months ended 31.12.19	13 months ended 31.12.18
Directors	**2**	2
Direct Staff	**1**	1
Administration Staff	**3**	3
	6	6

The aggregate payroll costs of these persons were as follows:	**12 months ended 31.12.19 £000**	13 months ended 31.12.18 £000
Directors	**413**	374
Direct Staff	**171**	265
Administration Staff	**235**	192
	819	831

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £276k (*2018: £236k*), and company pension contributions of £nil *(2018: £nil)* were made to a money purchase scheme on their behalf.

Notes *(continued)*

4 Financial expenses

	12 months ended 31.12.19 £000	13 months ended 31.12.18 £000
Interest on bank borrowings	**1,253**	1,214
Fair value loss on interest rate swap	**-**	(15)
Total finance expenses	**1,253**	1,199

5 Investments

An investment of £65,461k (2018: £72,861k) is held in Guestline Limited. This relates to 100% of the ordinary share capital and the company is incorporated in the UK. During the year an impairment charge of £7,400k was recognised.

An investment of £26k (2018: £26k) is held in Guestline GmbH. This relates to 100% of the ordinary share capital and the company is incorporated in Germany.

An investment of £85 is held in Guestline Ireland Limited. This relates to 100% of the ordinary share capital and the company is incorporated in Ireland.

6 Other receivables

	12 months as at 31.12.19 £000	13 months ended 31.12.18 £000
Other receivables - due within one year	**33**	42
Prepayments	**17**	-
	50	42

Notes *(continued)*

7 Taxation

Total tax (credit)/charge recognised in the profit and loss account, other comprehensive income and equity

	2019		2018	
	£000	**£000**	£000	£000
Current tax				
Current tax on income for the year	-		-	
Total current tax		-		-
Deferred tax				
Origination and reversal of timing differences	-		-	
Total deferred tax		-		-
Total tax		-		-

Deferred tax assets of £816k (2018: £622k) have not been recognised.

Notes *(continued)*

7 Taxation *(continued)*

	12 months ended 31.12.19			13 months ended 31.12.18		
	£000	**£000**		£000	£000	£000
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Tax (credit)/charge	-	-	-	-	-	-
Total tax	-	-	-	-	-	-

Reconciliation of effective tax rate

	12 months as at 31.12.19 £000	13 months as at 31.12.18 £000
Loss before taxation	**(9,088)**	(1,445)
Total tax credit	-	-
Loss excluding taxation		
Tax using the UK corporation tax rate of 19% (2018:19%)	**(1,727)**	(274)
Fixed asset differences	**1,406**	-
Expenses not deductible for tax	**9**	164
Transfer pricing adjustments	**(29)**	(155)
Group relief surrendered	-	-
Adjustment of opening and closing deferred tax to the average rate of 19%	**36**	28
Deferred tax not recognised	**305**	237
Total tax (credit)/charge included in profit or loss	-	-

8 Trade and other payables

	12 months as at 31.12.19 £000	13 months as at 31.12.18 £000
Bank Loans (see note 9)	**553**	1,108
Trade payables	**177**	53
Other trade payables	**3**	3
Accruals	**415**	223
	1,148	1,387

Notes *(continued)*

9 Interest-bearing loans & borrowings

	12 months as at 31.12.19 £000	13 months as at 31.12.18 £000
Secured bank loans	**20,867**	18,167
Amounts owed to group undertakings	**55,986**	57,062
	76,853	75,229

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings, which are measured at amortised cost.

	12 months as at 31.12.19 £000	13 months as at 31.12.18 £000
Current liabilities		
Secured bank loans	**553**	1,108
Non-current liabilities		
Secured bank loans	**20,867**	18,167

The bank borrowings are secured by fixed and floating charge covering all assets of the group.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment	12 months as at 31.12.19 £000	13 months as at 31.12.18 £000
Facility A	Sterling	4.5% plus LIBOR	2022	Quarterly Instalments	**5,089**	4,195
Facility B	Sterling	2.5% plus LIBOR	2023	Quarterly Instalments	**-**	15,080
Facility B1	Sterling	2.5% plus LIBOR	2023	Quarterly Instalments	**5,429**	-
Facility B2	Sterling	5% plus LIBOR	2023	Quarterly Instalments	**9,652**	-
Revolving Credit Facility	Sterling	2.25% plus LIBOR	2022	Quarterly Instalments	**1,250**	-
					21,420	19,275

Notes *(continued)*

10 Share capital

Ordinary shares	**12 months ended 31.12.19**	13 months ended 31.12.18
Issued for cash at date of incorporation	1	1
At 31 December – fully paid	1	1

	12 months ended 31.12.19	13 months ended 31.12.18
	£	**£**
Allotted, called up and fully paid		
1 ordinary shares of £1 each	1	1

11 Related parties

Transactions with key management personnel

Total compensation of the key management personnel in the year amounted to £819k (13 month period to 2018: £813k).

12 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Darwin Holdco Limited. The ultimate UK controlling party is Darwin Topco Limited, a company incorporated in Great Britain and registered in England and Wales whose ultimate controlling party is the Riverside Company.

Notes *(continued)*

13 Post balance sheet events

Post year end, on 5 November 2020, the group refinanced and signed an amendment to the existing facility agreement (see note 9). The revolving credit facility was increased along with a renegotiation of the loan covenants and an additional guarantee was provided by Riverside Europe Fund V LP (another subsidiary of the ultimate parent company). The revolving credit facilty was increased by £1.5m in July 2020 and a further £2.45m in November 2020, totalling £7.283m.

The World Health Organisation declared a pandemic on 11 March 2020 following which social distancing measures and restrictions on the workings of normal society were introduced by the UK government. As these interventions and actions only became apparent after the balance sheet date of 31 December 2019 any consequences arising, represent non-adjusting post balance sheet events.