

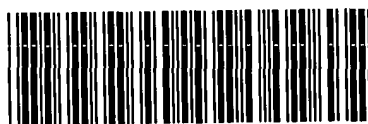
# **Eden Bidco Limited**

**Annual report and financial statements**

**Registered number 10489703**

**For the year ended 31 December 2020**

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

### **Principal activities**

The principal activity of the Company is to act as an intermediate holding company.

### **Directors and directors' interests**

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

T E Easingwood  
J R SJ Lenane  
N F Doe  
J W Owen  
I Wheeler

The shareholdings of the directors of Eden Bidco Limited in the Company's ultimate holding company, The Leisure Pass Group Holdings Limited, are disclosed in the financial statements of that company. None of the directors who held office at the end of the year had any disclosable interest in the shares or debentures of the Company.

### **Dividends**

No dividends were paid or declared during the year ended 31 December 2020 (2019: nil).

### **Political contributions**

The Company made no political contributions or incurred any political expenditure during the year (2019: nil)

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

The Company has indemnified the directors of the Company against liability in respect of proceedings brought by third parties, subject to conditions set out in Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of approving the directors' report.

### **Financial risk management**

The Company is exposed to a variety of financial risks that include interest rate risk and foreign currency risk.

#### **Interest rate risk**

The Company has bank borrowings which comprise term facilities and a revolving credit facility, together with loan receivable instruments due from other group companies. Interest is charged on these facilities at a floating rate of interest. The Company has reduced its exposure to movements in interest rates by purchasing interest rate hedges which cap the interest rate on a certain level of borrowings.

#### **Foreign currency risk**

The Company has term facilities denominated in both sterling and euros and therefore is exposed to movements in these currencies. The Company has not entered into hedging contracts during the year due to the long term nature of these loans.

## Directors' report (continued)

### Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

As at 31 December 2020 the Company is in a net liabilities position, however, as the first repayment of the Company's borrowings is not due until September 2023, there are no covenants to be tested until December 2022 other than The Leisure Pass Holdings Limited Group maintaining a minimum liquidity of \$6m and the interest on the senior bank facilities of \$151.8m, would be PIK'd until a time when The Leisure Pass Holdings Limited Group's LTM EBITDA reaches \$22.5m and minimum liquidity is in excess of \$12.5m, the directors are confident that it is appropriate to prepare these financial statements on the going concern basis.

In addition, the cash flow forecasts of The Leisure Pass Holdings Limited Group are closely monitored on a regular basis to ensure The Leisure Pass Holdings Limited Group has sufficient cash to meet its liabilities as they fall due. In preparing these financial statements management have prepared cash flow forecasts and projections for The Leisure Pass Holdings Limited Group, taking account of reasonably possible changes in trading performance. These projections are based on a model that assumes that by the end of 2021 the group's revenue is back to 30% of 2019 revenue levels and that revenues will not get back to 2019 levels until 2023.

Also based on the current run rate of overheads and CAPEX, the directors have estimated that if The Leisure Pass Group Holdings Limited group had no revenue in 2021, the group's cash position would not drop below the minimum liquidity covenant of \$6m until June 2022.

Based on the Directors' current forecasts and plans, which assume that and taking into account existing cash and debt facilities, the Company is forecast to remain within its facilities.

### Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent auditors

Pursuant to Section 418 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



**N F Doe**

Director

8<sup>th</sup> April 2021

25 Soho Square

London

W1D 3QR

## Strategic report

### Business review

The results for the year ended 31 December 2020 are set out on page 8.

The Company holds all the external bank debt within The Leisure Pass Group Holdings group.

Following the impact of COVID-19, the company increased its revolving credit facilities from £5m to £18m (of which £3m was unutilised at 31 December 2020) during the year and renegotiated both the interest terms and maturity dates on its term loans to enable the Leisure Pass Group to meet its funding requirements during the pandemic (see note 13).

The Company has continued to remunerate the directors of the group during the year and recharge for their services to its subsidiary companies.

The Company will continue to remunerate the directors and hold the group's external debt for the foreseeable future.

The Leisure Pass Group Holdings Group Strategic Report contains details of the impact of COVID-19 on the Group.

### Principal risks and uncertainties

The principal risks and uncertainties of the Company are the financial risks of the Company as disclosed in the directors' report.

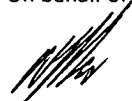
### Key Performance Indicators

The Company is an intermediate holding company within the Leisure Pass Group Holdings Group and as such has no significant activity in its own right. Furthermore, The Leisure Pass Group Holdings Group Strategic Report contains details of the Group's activities.

### Section 172 (1) statement

From the perspective of the board, as a result of The Leisure Pass Group Holdings Group (the "Group") governance structure, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the group board in relation to both the group and to this entity. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the group board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 3 of the group's annual report, which does not form part of this report.

On behalf of the board



**N F Doe**

Director

8<sup>th</sup> April 2021

25 Soho Square  
London  
W1D 3QR

## **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the 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 101 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 company will continue in business.

The directors are also responsible for safeguarding the assets of the 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 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.

### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

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

## ***Independent auditors' report to the members of Eden Bidco Limited***

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

#### **Opinion**

In our opinion, Eden Bidco Limited's company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- 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 statement of financial position as at 31 December 2020; the statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **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 company 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.

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

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

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

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

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

#### **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.

## ***Independent auditors' report to the members of Eden Bidco Limited (continued)***

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

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

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

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

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation not being adhered to and non-compliance with employment regulations in the UK, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override of controls. Audit procedures performed included:

- review of minutes of meetings of those charged with governance;
- enquiry of management and those charged with governance around actual and potential litigation and claims;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias);
- enquiry of management regarding any known non-compliance with laws and regulations;
- review of corporation tax filings for compliance with the applicable laws and regulations; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.



## ***Independent auditors' report to the members of Eden Bidco Limited (continued)***

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.

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

We have no exceptions to report arising from this responsibility.

### **Other matter**

We have reported separately on the group financial statements of Eden Bidco Limited for the year ended 31 December 2020.



Matthew Mullins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Watford

8 April 2021

**Statement of comprehensive income**  
*for the year ended 31 December 2020*

	<i>Note</i>	<b>Year ended 31 December 2020 \$'000</b>	<b>Year ended 31 December 2019 \$'000</b>
Other income		724	1,225
Administrative expenses before exceptional items		(1,304)	(2,006)
Exceptional items	5	(461)	(323)
<b>Total Administrative expenses</b>		<b>(1,765)</b>	<b>(2,329)</b>
Operating loss before exceptional items	2	(580)	(781)
<b>Operating loss after exceptional items</b>		<b>(1,041)</b>	<b>(1,104)</b>
Interest receivable and similar income	6	9,364	10,022
Interest payable and similar expenses	6	(23,380)	(19,365)
<b>Net finance cost</b>		<b>(14,016)</b>	<b>(9,343)</b>
<b>Loss before taxation</b>		<b>(15,057)</b>	<b>(10,447)</b>
Tax on loss	7	-	-
<b>Loss for the financial year</b>		<b>(15,057)</b>	<b>(10,447)</b>
Other comprehensive income		-	-
<b>Total comprehensive expense for the year</b>		<b>(15,057)</b>	<b>(10,447)</b>

All results arose from continuing operations.

The Company had no items of other comprehensive expense in the current year (2019: nil).

The notes on pages 11 to 19 form part of these financial statements.

**Statement of financial position**  
**at 31 December 2020**

	Note	2020 \$'000	2019 \$'000
<b>Fixed assets</b>			
Investments	8	159,465	159,465
Derivative financial instruments	9	-	-
		<b>159,465</b>	<b>159,465</b>
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due within one year	10	163,887	154,640
Cash at bank and in hand		1	1
		<b>163,888</b>	<b>154,641</b>
<b>Creditors:</b> amounts falling due within one year	11	(138,397)	(153,499)
<b>Net current assets</b>		<b>25,491</b>	<b>1,142</b>
<b>Total assets less current liabilities</b>		<b>184,956</b>	<b>160,607</b>
<b>Creditors:</b> amounts falling due after more than one year	12	(213,899)	(174,493)
<b>Net liabilities</b>		<b>(28,943)</b>	<b>(13,886)</b>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Share Premium account		17,082	17,082
Accumulated losses		(46,025)	(30,968)
<b>Total shareholders' deficit</b>		<b>(28,943)</b>	<b>(13,886)</b>

The notes on pages 11 to 19 form part of these financial statements.

These financial statements on pages 8 to 19 were approved by the board of directors on 8<sup>th</sup> April 2021 and were signed on its behalf by:



**N F Doe**  
Director

Company registered number: 10489703

**Statement of changes in equity**  
*for the year ended 31 December 2020*

	Called up share capital \$'000	Share Premium account \$'000	Accumulated Losses \$'000	Total shareholders' deficit \$'000
Balance as at 1 January 2019	-	17,082	(20,521)	(3,439)
Loss for the financial year	-	-	(10,447)	(10,447)
<b>Total comprehensive expense for the year</b>	-	-	(10,447)	(10,447)
Balance as at 31 December 2019 and 1 January 2020	-	17,082	(30,968)	(13,886)
Loss for the financial year	-	-	(15,057)	(15,057)
<b>Total comprehensive expense for the year</b>	-	-	(15,057)	(15,057)
<b>Balance as at 31 December 2020</b>	-	17,082	(46,025)	(28,943)

The notes on pages 11 to 19 form part of these financial statements.

## Notes to the financial statements (forming part of the financial statements)

### 1 Accounting policies

Eden Bidco Limited (the "Company") is a private limited company incorporated and domiciled in the UK.

#### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

#### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), under the historical cost convention and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

#### Summary of disclosure exemptions:

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS1 Presentation of financial statements
  - 10(d) – statement of cash flows
  - 16 – Statement of compliance with all IFRS
  - 134-136 – capital management disclosures
- IAS 7 Statement of cash flows
- IAS 8 Accounting policies, changes in estimates and errors, paragraphs 30 and 31 – New standards issued but not yet effective
- IAS 24 Related party disclosures – related party disclosures with transactions entered into between wholly owned group companies and paragraph 17, key management compensation
- IAS36 Impairment of assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) – Key assumptions and estimates used to measure value in use of cash generating units
- IFRS7 Financial Instrument: Disclosures
- IFRS13 Fair value measurement, paragraphs 91-99 – Valuation techniques used for fair value measurement of assets and liabilities

#### New standards, interpretations and amendments

No new accounting standards, or amendments to accounting standards, or IFRS IC interpretations that are effective for the year ended 31 December 2020 have had a material effect on the financial statements.

#### Exemption from preparing group financial statements

These financial statements contain information about Eden Bidco Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt, under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, The Leisure Pass Group Holdings Limited, a company incorporated in United Kingdom.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### ***Going concern***

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

As at 31 December 2020 the Company is in a net liabilities position, however, as the first repayment of the Company's borrowings is not due until September 2023, there are no covenants to be tested until December 2022 other than The Leisure Pass Holdings Limited Group maintaining a minimum liquidity of \$6m and the interest on the senior bank facilities of \$151.8m, would be PIK'd until a time when The Leisure Pass Holdings Limited Group's LTM EBITDA reaches \$22.5m and minimum liquidity is in excess of \$12.5m, the directors are confident that it is appropriate to prepare these financial statements on the going concern basis.

In addition, the cash flow forecasts of The Leisure Pass Holdings Limited Group are closely monitored on a regular basis to ensure The Leisure Pass Holdings Limited Group has sufficient cash to meet its liabilities as they fall due. In preparing these financial statements management have prepared cash flow forecasts and projections for The Leisure Pass Holdings Limited Group, taking account of reasonably possible changes in trading performance. These projections are based on a model that assumes that by the end of 2021 the group's revenue is back to 30% of 2019 revenue levels and that revenues will not get back to 2019 levels until 2023.

Also based on the current run rate of overheads and CAPEX, the directors have estimated that if The Leisure Pass Group Holdings Limited group had no revenue in 2021, the group's cash position would not drop below the minimum liquidity covenant of \$6m until June 2022.

Based on the Directors' current forecasts and plans, which assume that and taking into account existing cash and debt facilities, the Company is forecast to remain within its facilities.

#### ***Exceptional items***

Exceptional items are items which due to their size, incidence and irregular nature have been classified separately in order to draw them to the attention of the reader of the financial statements and in managements' judgement, to show more accurately the underlying profits of the Company. Such items are shown separately within the statement of comprehensive income and are disclosed in the notes to the financial statements.

#### ***Foreign currency translation***

##### ***a) Functional and presentation currency***

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in "US Dollars" (\$) which is also the Company's functional currency.

##### ***b) Transactions and balances***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of comprehensive income within finance income and expense.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### ***Taxation***

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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

#### ***Investments in subsidiary undertakings***

Investments in subsidiaries are carried at cost less impairment

#### ***Derivative financial instruments***

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the instruments at the statement of financial position date, taking into account current interest rates and the creditworthiness of the swap counterparties.

The full value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months and a current asset and liability when the remaining maturity of the hedged item is less than 12 months.

#### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise investments in trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

#### ***Trade and other debtors***

Trade and other debtors 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.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

#### ***Trade and other creditors***

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

#### ***Borrowings***

Bank borrowings are recognised at fair value, net of transaction costs incurred. Fees paid on the establishment of the loan, which was used to facilitate the acquisition, have been capitalised within the investment and are amortised over the five year term to which the facility relates to. Interest on the borrowing facility has been recognised under finance expense in the Statement of Comprehensive Income.

#### ***Dividend distribution***

Dividends are recognised as a liability and deducted from equity when approved by the board of directors of the Company. Dividends for the period that are approved after the reporting date are dealt with as an event after the reporting date.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *Dividend income*

Dividend income is recognised when the shareholders' right to receive the payment is established.

#### *Significant judgements and estimates*

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimate and assumptions applied in the preparation of the financial statements include the impairment of investments. Where there are indicators for impairment, the Company performs an impairment test. Recoverable amounts for cash-generating units are based on the higher of value in use and fair values less costs of disposal. Value in use is calculated from cash flow projections for generally five years using data from the Company's latest internal forecasts. When applicable these calculations require the use of estimates.

Per IFRS 9, the company is required to recognise expected credit loss for all financial assets, including for amounts owed by group undertakings. Amounts owed by group undertakings are all repayable on demand and therefore expected credit loss assumes that repayment is demanded at the reporting date. The expected credit loss calculation requires the use of estimates.

#### *Judgements applied*

Exceptional items are recognised to the extent that they meet the definition outlined in the accounting policy above. This requires a certain amount of judgement to be applied by management

### 2 Operating loss before exceptional items

The audit fee of \$4,000 (2019: \$4,000) is borne by The Leisure Pass Group Limited, another Group company.

### 3 Employees

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Year ended 31 December 2020 No.	Year ended 31 December 2019 No.
Administration	6	7

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2020 \$'000	Year ended 31 December 2019 \$'000
Wages and salaries	1,127	1,722
Social security costs	135	150
Other pension costs	28	11
	<b>1,290</b>	<b>1,883</b>



## Notes to the financial statements (continued)

### 4 Directors' remuneration

The aggregate payroll costs of the Directors of the Company were as follows:

	Year ended 31 December 2020 \$'000	Year ended 31 December 2019 \$'000
Salaries and other short term benefits	828	1,574
Defined contribution pension scheme contributions	28	11
	<b>856</b>	<b>1,585</b>

The aggregate emoluments of the highest paid director were \$449,000 (2019: \$678,000). Retirement benefits are accruing to one director (2019: one) under money purchase schemes.

### 5 Exceptional items

Exceptional items of \$461,000 principally relate to professional fees incurred in respect of renegotiating the revolving credit facilities of \$344,000. In the year ended 31 December 2019 exceptional costs of \$323,000 principally related relate to legal and professional fees incurred in respect of changes in directors in the year.

### 6 Net finance cost

	Year ended 31 December 2020 \$'000	Year ended 31 December 2019 \$'000
Interest expense:		
- On bank loans and overdrafts	16,103	14,356
Amortisation of finance issue costs	699	699
Other finance costs	110	162
Fair value loss on interest rate caps	733	2,991
Loss on foreign exchange	5,735	1,157
<b>Finance costs</b>	<b>23,380</b>	<b>19,365</b>
Finance income		
On group loans	(9,364)	(10,022)
<b>Net finance costs</b>	<b>14,016</b>	<b>9,343</b>

## Notes to the financial statements (continued)

### 7 Tax on loss

#### a) Tax charge for the year

The company had no current or deferred tax change in the year (2019: nil)

#### b) Factors affecting the tax charge for the current year

The total tax charge for the year is not equal (2019: not equal) to the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2020 \$'000	Year ended 31 December 2019 \$'000
Loss before taxation	(15,057)	(10,447)
Tax @ 19% (2019: 19%)	(2,861)	(1,985)
Expenses not deductible for tax purposes	139	568
Interest restriction not carried forward	2,524	1,597
Group relief surrendered/(claimed)	198	(180)
Tax charge for the year	-	-

In the Spring Budget 2020, the Government announced that from 1 April 2021 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted as part of the Finance Bill 2016 (on 6 September 2016)). This new law was substantively enacted on 17 March 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be immaterial.

### 8 Investments

	Shares in Group undertakings \$'000
Cost and net book value at 1 January 2020 and 31 December 2020	159,465

The Company's principal subsidiary undertakings at the year end are as follows:

Subsidiary undertakings	Registered Office	Principal activity	Direct/ Indirect	Class and percentage of shares held
Newincco 1155 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Direct	Ordinary 100%
Newincco 1154 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Indirect	Ordinary 100%
Newincco 1153 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Indirect	Ordinary 100%
Newincco 1128 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Indirect	Ordinary 100%
The Leisure Pass Group Limited	25 Soho Square, London, W1D 3QR, UK	Travel and tourism	Indirect	Ordinary 100%
The Leisure Pass Ireland Limited	Arthur Cox Building, Earlsfort Terrace, Dublin 2, Republic of Ireland	Travel and tourism	Indirect	Ordinary 100%
The Leisure Pass Group (Asia) Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Indirect	Ordinary 100%
Leisure Pass Group North America Inc.	155 Federal Street, Suite 700, Boston, MA 02110, US	Holding company	Indirect	Ordinary 100%
Leisure Pass North America LLC	155 Federal Street, Suite 700, Boston, MA 02110, US	Travel and tourism	Indirect	Ordinary 100%
Leisure Pass Group Inc	155 Federal Street, Suite 700, Boston, MA 02110, US	Travel and tourism	Indirect	Ordinary 100%
Smart Destinations Canada Inc	100 King Street W, Suite 6600, 1 First Dormant Canadian Place, Toronto, Ontario M5X 1B8, Canada		Indirect	Ordinary 100%
Leisure Pass Asia Pte. Limited	80 Robinson Road, #02-00, Singapore, 068898	Travel and tourism	Indirect	Ordinary 100%

## Notes to the financial statements (continued)

### 9 Derivative financial instruments

	2020	2019
Fair value through profit and loss	\$'000	\$'000
Interest rate hedges	(2,258)	(1,525)

The impact of these hedges on the Company's financial position and results for the year is a decrease in the fair value of the hedge of \$733,000 which has been debited to the statement of comprehensive income (2019: decrease in the fair value of \$2,991,000). The interest rate swap expires in June 2022.

### 10 Debtors

	2020	2019
	\$'000	\$'000
<b>Amounts falling due within one year</b>		
Prepayments	22	22
Amounts owed by group undertakings	163,865	154,618
	<b>163,887</b>	<b>154,640</b>

Amounts owed by group undertakings of \$28,750,000 are unsecured, bear interest at 4.25% above LIBOR and are repayable on 14 June 2024.

Amounts owed by group undertakings of \$63,755,000 are unsecured, bear interest at 8.75% above LIBOR and are repayable on 14 December 2024.

Amounts owed by group undertakings of \$16,841,000 are unsecured, bear interest at 9.35% above LIBOR and are repayable on 14 December 2024.

All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The Directors consider that the carrying amounts of other receivables are equal or approximate to their fair value.

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

	2020	2019
	\$'000	\$'000
Amounts due to group undertakings	138,231	152,847
Accruals	166	652
	<b>138,397</b>	<b>153,499</b>

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

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

	2020	2019
	\$'000	\$'000
<b>Amounts falling due between one and five years</b>		
Bank loans	211,641	172,968
Derivative financial liability – interest rate swap (see note 9)	2,258	1,525
	<b>213,899</b>	<b>174,493</b>

## Notes to the financial statements (continued)

### 13 Loans and other borrowings

	2020 \$'000	2019 \$'000
Bank loans	198,473	175,037
PIK'd interest added to loan	14,538	-
Less finance issue costs	(4,193)	(4,193)
Amortisation of finance issue costs	2,823	2,124
	<b>211,641</b>	<b>172,968</b>

At 31 December 2020 the following facilities were outstanding:

Facility	Amount Outstanding 2020 \$'000	Amount outstanding 2019 \$'000	Currency	Nominal interest rate in the year	Maturity date
RCF Facility	6,836	-	GBP sterling	3.5% above LIBOR	17 September 2023
RCF Facility	12,104	-	US Dollars	3.5% above LIBOR	17 December 2023/14 June 2024
Tranche A	27,766	27,766	US Dollars	4% above LIBOR	14 June 2024
Tranche B1A (£39m)	51,496	49,952	GBP sterling	8.5% above LIBOR*	14 December 2024
Tranche B1B (£30.8m)	36,384	33,432	Euros	8.5% above EURIBOR*	14 December 2024
Tranche B2	63,887	63,887	US Dollars	8.5% above LIBOR*	14 December 2024
	<b>198,473</b>	<b>175,037</b>			

\*Tranche B facilities have a 1% floor on the interest rate charged.

In April 2020, the company increased its revolving credit facility from £5m to £15m to help support with the short-term funding of the Leisure Pass Group following the impact of COVID-19. In November 2020, the Company increased its revolving credit facility by a further £3m to £18m. This additional £3m facility was not utilised at 31 December 2020.

The Company also renegotiated the terms of its senior term loans (Tranche A, Tranche B1A, Tranche B1B and Tranche B2) as follows:

- Tranche A: extension of maturity date from 14 June 2022 to 14 June 2024
- Tranche B1A, B1B and B2: extension of maturity date from 14 December 2022 to 14 December 2024 and interest PIK's until the Leisure Pass Group's LTM EBITDA is in excess of \$22.5m and the minimum liquidity of the Group is excess of \$12.5m
- All covenants were reset with the first date to be tested of 31 December 2022.

The Company also has an accordion facility of up to \$10,000,000 which can be used to fund certain activities. This facility was not utilised between November 2020 (date of new facility) to 31 December 2020.

The initial issue costs of bank borrowings of \$4,193,000 are being amortised over the year from the drawdown of the loan to the maturity date. During the year ended 31 December 2020, issue costs of \$699,000 (2019: \$699,000) were amortised.

The Company, along with other companies in The Leisure Pass Group Holdings group, has provided security over its assets in relation to the facilities above.

### 14 Called up share capital

	2020 \$'000	2019 \$'000
<b>Allotted and fully paid</b>		
Equity:		
17,207,668 (2019: 17,207,668) ordinary shares of \$0.00001 each	-	-

## Notes to the financial statements (continued)

### 15 Related parties

Group receivables and payables are as follows:

	Receivables outstanding 2020 \$'000	Payables outstanding 2020 \$'000	Loans Payable 2020 \$'000	Receivables outstanding 2019 \$'000	Payables outstanding 2019 \$'000	Loans Payable 2019 \$'000
Entities with control	-	(87,359)	(30,740)	-	(87,359)	(30,740)
Subsidiaries	163,865	(20,132)	-	154,618	(34,748)	-
	163,865	(107,491)	(30,740)	154,618	(122,107)	(30,740)

### 16 Ultimate parent company and controlling party

Eden Bidco Limited is a wholly-owned subsidiary of Eden Midco 2 Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is The Leisure Pass Group Holdings Limited. The group financial statements of The Leisure Pass Group Holdings Limited can be obtained from 25 Soho Square, London, W1D 3QR.

The Leisure Pass Group Holdings Limited is controlled by funds managed by Exponent Private Equity (Holdings) LLP, an investment management firm, by virtue of their majority shareholding in Leisure Pass Group Holdings Limited held through Exponent Private Equity Co-Investment Gp LLP.