

Douglas Topco Limited

Annual Report and Financial Statements

Year Ended

30 June 2020

Company Number 10928377



Douglas Topco Limited

Company Information

Directors	R Hurd-Wood C Jennings S McMurtrie T Pemberton J Stevens
Registered number	10928377
Registered office	Stamford House Boston Drive Bourne End Buckinghamshire United Kingdom SL8 5YS
Independent auditor	BDO LLP Thames Tower Station Road Reading RG1 1LX

Douglas Topco Limited

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Douglas Topco Limited

Strategic Report For the Year Ended 30 June 2020

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2020.

Principal activity and business overview

The group, through its subsidiary Virgin Experience Days, offers curated experiences to consumers and corporates, from flying Spitfires to luxury afternoon teas, selling over 1,000,000 experiences annually. Virgin Experience Days operates B2C and B2B divisions. The B2C offering provides customers with access to leisure experiences across a broad range of categories and occasions, while the B2B division, Virgin Incentives, offers experiences for employee rewards and recognition programmes.

The group reported a loss for the year of £1,792,000 (2019 - loss £2,234,000). This is principally due to costs associated with maintaining finance. Net liabilities totalled £7,359,000 (2019 - £5,850,000) at the year end.

The principal activity of the group is the sale of experience vouchers through Virgin Experience Days Limited.

Financial review

	2020	2019
Revenue	£58.8 million	£56.6 million
Gross Profit	£11.5 million	£11.1 million
Gross Profit %	19.5%	19.6%
Cash – absolute balance	£17.8 million	£14.5 million
Net Liabilities	£7.4 million	£5.9 million
Average employees	96	96

Turnover increased by 4% reflecting slower growth across both our direct and indirect consumer channels as well as in our B2B division as result of the emergence of COVID-19 in the second half of the year. COVID-19 has had the impact of temporarily dampening headline demand due to lockdown restrictions meaning many experience venues are closed. During this period, to support our customers, we offered free extensions on all experiences so that they can be taken when the time is right.

This masks a strong underlying performance for the brand underpinned by a continuing investment in our technology platform, multi-channel marketing strategies and an innovative and relevant products range for our customers, with a particular focus on stay-at-home experiences during the year as a result of lockdown and the COVID-19 pandemic. Despite the impact of COVID-19 customers continue to choose Virgin Experience Days for gifting, and as a market leader, Virgin Experience Days Limited is well placed to benefit from the ongoing shift from tangibles to experiential gifts, and the expected bounce back once the UK has its vaccine programme rolled out, despite the current temporary headwinds from the COVID-19 pandemic.

Gross profit margins have remained flat during the year representing a continued optimisation of the sales and marketing channel mix. Average headcount over the year was in line with the previous year as we continue to improve efficiencies and control our overheads.

Net current liabilities increased from £11.1m to £14.6m with cash on hand increasing by £3.3m to £17.8m, representing strong operational cash flows and an increased focus on prudent cost and cash management following the onset of the COVID-19 pandemic. In January 2020 outstanding investor and management loan notes, along with accrued interest, totaling £6.3m were repaid and settled in full.

Douglas Topco Limited

Group Strategic Report (continued) For the Year Ended 30 June 2020

Business review

Customer Experience

All our teams take part in at least one of our experiences each year to provide valuable feedback which informs the continuous improvement of our product and customer journey. Our partnership team are constantly reviewing latest trends and new experiences to ensure we offer relevant and innovative experiences to our customers.

Technology

The group continues to increase its investment in research and development to ensure advanced technology and latest software is in place to support both web based and back office systems.

Engagement and corporate social responsibility

The team at Virgin Experience Days is at the heart of our ability to deliver excellent results, year on year. We are fully committed to their development and training so that every individual can achieve their full potential in an engaging and fulfilling environment. The directors recognise and appreciate the talent and commitment of the staff throughout the business who make this success possible.

Employee engagement is supported through clear communication of the Group's performance and objectives. This information is cascaded through team briefings, events and regular e-newsletters. This open management style encourages the team to contribute to business development and the Group's success.

We remain fully committed to gender balance within our business. 65% of our total workforce is female, mirroring our customer base.

UK Streamlined Energy and Carbon Reporting ('SECR')

In accordance with SECR requirements, this provides a summary of GHG emissions and energy data for Virgin Experience Days -

	2020
Total UK energy use (kWh)	142,059
Total UK emissions (kgCO ₂ e)	49,942
Intensity ratio - kgCO ₂ e per employee	520

In 2019 we undertook a major office refurbishment project and installed new and efficient LED lighting throughout the building, much of which is activated by sensors. We tried to ensure we worked with materials from suppliers with a focus on sustainability, such as with the new flooring.

Our energy usage KPIs relate to the supply of electricity only at our sole office premises in Bourne End.

Douglas Topco Limited

Group Strategic Report (continued) For the Year Ended 30 June 2020

The Board's Statement on s172(1)

The board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole, and, in doing so, have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the group are appropriately informed by s172 factors. Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the board's decision-making process, the board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

The following examples demonstrate how the directors had regard to the respective elements of section 172 in discharging their duties:

Long-term consequences of decisions

The board is committed to ensuring that the group has strong corporate governance and the directors are focused on ensuring that the group operates accordingly. The board delegates day-to-day management and decision making to the executive team, but it maintains detailed oversight of the group's performance and reserves to itself specific matters for approval, such as significant new business initiatives and capital expenditure and strategic oversight. The Board also holds regular meetings ensuring the directors are able to closely monitor performance and the impact of its decisions.

During the year, the board has ensured that all such decisions have been made in support of promoting the long-term, sustainable growth of Virgin Experience Days, in line with its medium and long-term forecasts. The financial results in this period are demonstrative of the positive impact of the board's decisions over the past year.

Interests of employees

The board recognises that our people are vital to the success of the group in delivering high-quality experiences to our customers. As such, the directors ensure that, when taking key decisions such as new business opportunities or changes in strategic direction, the interests of the group's employees are considered.

The directors are committed to building an open, transparent and inclusive culture, so that our teams understand not only 'what' we do but also 'why' and 'how' we do it. The directors also ensure that employees are kept informed of business decisions and developments as soon as is practicable. Information is communicated and shared on a regular basis and the whole team is encouraged to ask questions and share ideas.

The group runs regular engagement and pulse surveys through the year. These are followed by focus groups so that our people have a voice which is listened to. The group also has a fortnightly internal on-line blog where team news is shared. Weekly all-hands meetings provide regular communications on business developments to ensure employees are aware of group performance and how their work contributes to the group's success. The results of the annual survey consistently show that employees are engaged, proud to work for Virgin Experience Days and are aligned with the board in promoting the long-term success of the group.

The COVID-19 pandemic has had a significant impact on the group and the way in which our employees work. The People & Culture team has focused on supporting the needs of employees, both from a work and a personal perspective. We have provided additional hardware to allow people to work from home and, where this is not possible, the directors have ensured that our office is COVID-secure. Throughout the pandemic, the commitment to transparency has been met through virtual all-hands meetings and regular emails. We have also been helping our employees with wellbeing support and activities to ensure individuals and teams stay connected and engaged whilst working remotely.

Douglas Topco Limited

Group Strategic Report (continued) For the Year Ended 30 June 2020

The Board's Statement on s172(1) (continued)

Maintaining relationships with stakeholders

The group also works with a number of key stakeholder groups, specifically our customers, our experience partners, our retail partners and agencies. When taking key business decisions, such as new business opportunities or selecting partners to work with, the board and senior management team consider these stakeholder groups, with the aim of ensuring that the interests of the group and its stakeholders are aligned. The board is committed to building positive and constructive partnerships with all of these stakeholders. We engage on a daily basis with our experience providers, and other partners, and have built strong partnerships that contribute to our mutual success.

Our customers are central to the success of the business. The group's success is based upon delivering the high quality, good value, fun and memorable experiences to our customers. It is by delivering on all of the above factors that this is possible and the growth of the brand in recent years demonstrates the success that the board is fostering. The directors are focused on knowing our customers, understanding them and then ensuring that Virgin Experience Days is meeting their needs. We use feedback from our customer service team, customer focus groups and on-line surveys to understand our customer needs so that we can better tailor our products and experiences to their requirements and continue to deliver a class-leading service. In the past year, the group has invested heavily in online customer acquisition, TV and social media advertising as well as customer retention. This knowledge is then distilled and used to help inform the activities of the rest of the business.

The directors are confident that this focus on our stakeholders is key to contributing towards the long-term, sustainable success of the group.

Impact on communities and the environment

The group is conscious of the impact we have on the community and environment. The company offers electronic experience vouchers as an alternative to paper vouchers which are not only convenient for our customers but also kind to the environment. These electronic vouchers made up more than half of all vouchers during the year and we continue to develop our digital gift card capabilities.

Respecting human rights and environmental issues in the supply chain is ultimately our suppliers' responsibility. However, we play an active role in supplier selection and development and have adopted various means to clearly communicate our expectations to our suppliers. Our Partnership team pay regular visits to suppliers and are confident that obligations under the 2015 Modern Slavery Act are being met.

As well as supporting the Virgin Group's charitable arm, Virgin Unite, Virgin Experience Days supports Thames Hospice, a local charity organization. Individual and team events are held regularly through the year to raise money for Thames Hospice.

Future outlook

Our market-leading brands and strong financial performance position us well for another year of growth, despite a degree of uncertainty in the economy due to Brexit and a highly competitive market. The group is expected to trade profitably with a healthy cash generation for the foreseeable future.

Douglas Topco Limited

Group Strategic Report (continued) For the Year Ended 30 June 2020

Principal risks and uncertainties

The group maintains a risk register to identify and assess key risks, ranking them in relation to their likelihood and potential impact, and subsequently determining appropriate control strategies to mitigate their impact taking account of risk appetite. The ongoing monitoring of this framework is overseen by the Audit and Risk Committee.

Coronavirus COVID-19 risk

The COVID-19 pandemic impacted the group from March 2020 when the country was put into lockdown, experience venues were closed and consumer confidence and spending fell. The full extent and impact of the COVID-19 pandemic remains uncertain and continues to develop. The directors continue to monitor the exposure to the group's business and have implemented measures to conserve cash resources for the business and mitigate the risks. Additionally, the directors have a range of further mitigating actions that can be taken in order to both maintain the group's operating capabilities and to enable it to meet its future liabilities as they fall due. The directors are also monitoring the exposure to its employees, customers and other stakeholders, referring to government and professional advice published to help ensure their safety.

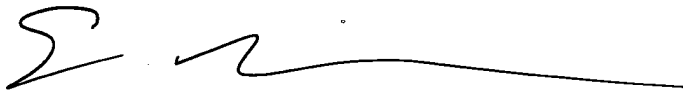
Competitive and market risks

The group has competition from other online experience providers' who wish to have a presence in the market. Continuous investment in marketing, technology and ensuring an innovative and unique product content, along with constant monitoring of our product range and pricing, will help the company consolidate and maintain a leading position in the UK market.

Business interruption, cyber risk and data security

As a predominantly internet-based business the group is reliant on IT systems and websites. These systems would be vulnerable to prolonged power loss, fire, viruses and hackers. Any impact or loss of these systems would impair the trading ability of the business. A data recovery and business continuity plan is in place to help mitigate these eventualities.

This report was approved by the board and signed on its behalf.



S McMurtrie
Director

Date: 28/02/2021

Douglas Topco Limited

Directors' Report For the Year Ended 30 June 2020

The directors present their report together with the audited financial statements for the year ended 30 June 2020.

Principal activity

The principal activity of the group during the year was that of the sale of experience vouchers.

Results and dividends

The loss for the year, after taxation, amounted to £1,792,000 (2019 - loss £2,234,000).

Directors

The directors who served during the year were:

R Hurd-Wood
C Jennings
S McMurtrie
T Pemberton
J Stevens

Directors' indemnities

The company has qualifying third party indemnity provisions for the benefit of its directors which remained in force throughout the year and at the date of this report.

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from credit sales, however due to the nature of the business this is considered to be low. Each new customer is analysed for creditworthiness before the group's standard payment terms are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks.

Liquidity risk

Liquidity risk arises from the group's management of working capital and is the risk that the group will encounter difficulty meeting its financial obligations as they fall due.

The board reviews cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year these projections indicated that the group expected to have sufficient liquid resources to meet its obligations as they fall due under all reasonably expected circumstances. These projections also indicate that the group of which the group is a part will continue to meet its debt covenants with reasonable headroom.

Cash flow and market risk

The group's activities expose it to low financial risks of changes in foreign currency exchange rates due to the limited number of transactions settled in currency other than sterling.

The group is exposed to cash flow interest rate risk from long-term borrowings at variable rates. Interest on the senior loan facility held by the parent is payable at LIBOR plus 6.75%. The board do not hedge exposure to interest rate risk and the group is therefore exposed to cash flow risk from changing interest rates.

Douglas Topco Limited

Directors' Report (continued) For the Year Ended 30 June 2020

Going concern review

The group is profitable and uses its working capital to fund its operations. All funding is managed at group level.

We fully anticipate that as COVID-19 restrictions are lifted, and customers can enjoy their experiences, sales will return to pre-COVID levels of growth. The COVID-19 crisis is nonetheless still likely to continue to have some impact on demand for experiences over the next 12 months. To gain comfort over the group's ability to continue as a going concern, the directors have modelled the group's cash position for the 12 months following the date of the signing of the accounts. The exercise incorporated the key sensitivities such as sales, marketing costs, the cost of redemptions and fixed overheads and reflected various scenarios with respect to headline demand, the level and timing of redemptions and the group's ability to flex variable costs and reduce fixed overheads effectively.

Following the year end, the group renegotiated its covenant package with its debt provider to reflect the impact of COVID-19 and ensure the covenants remained relevant to the business. As part of this, additional financial commitment was secured from shareholders in the event it that it would be needed to support the revised covenants.

After reviewing these forecasts and projections, the directors are satisfied that the group has sufficient liquidity to continue to trade as a going concern and can generate sufficient headroom to meet the groups' revised debt covenant requirements for at least twelve months from the date of approval of these financial statements. The directors believe that they are well placed to manage its business risk successfully and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

The directors are not aware of any other circumstances that may adversely affect the group's current trading position. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Future developments

Information on likely future developments in the business of the company has been included in the strategic report.

Disclosure of information to auditor

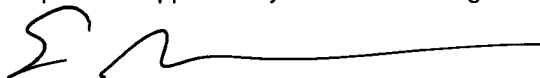
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



S McMurtrie
Director

Date: 28/02/2021

Douglas Topco Limited

Directors' Responsibilities Statement For the Year Ended 30 June 2020

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

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

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

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

Douglas Topco Limited

Independent Auditor's Report to the Members of Douglas Topco Limited

Opinion

We have audited the financial statements of Douglas Topco Limited ("the parent company") and its subsidiaries ("the group") for the year ended 30 June 2020 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheet, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

in our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 or the parent 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.

Douglas Topco Limited

Independent Auditor's Report to the Members of Douglas Topco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Douglas Topco Limited

Independent Auditor's Report to the Members of Douglas Topco Limited (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Henwood

Daniel Henwood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
United Kingdom

Date: 28 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Douglas Topco Limited

Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2020

	Note	2020 £000	2019 £000
Turnover	4	58,816	56,596
Cost of sales		(47,364)	(45,525)
Gross profit		11,452	11,071
Administrative expenses		(6,751)	(7,437)
Amortisation - goodwill and intangible fixed assets		(3,660)	(3,373)
Other operating income	5	239	-
Operating profit	6	1,280	261
Interest receivable and similar income	10	11	17
Interest payable and expenses	11	(2,408)	(2,625)
Loss before taxation		(1,117)	(2,347)
Tax on loss	12	(675)	113
Loss for the financial year / total comprehensive expense		(1,792)	(2,234)

There was no other comprehensive income or expense in the current or prior period.

The notes on pages 20 to 36 form part of these financial statements.

Douglas Topco Limited
Registered number: 10928377

Consolidated Balance Sheet
As at 30 June 2020

	Note	2020 £000	2019 £000
Fixed assets			
Goodwill	13	10,915	12,438
Intangible Assets	14	18,410	19,858
Tangible Fixed Assets	15	448	448
		<u>29,773</u>	<u>32,744</u>
Current assets			
Stocks	17	107	63
Debtors	18	1,781	2,877
Cash at bank and in hand		17,791	14,463
		<u>19,679</u>	<u>17,403</u>
Creditors: amounts falling due within one year	19	(34,235)	(28,456)
Net current liabilities		<u>(14,556)</u>	<u>(11,053)</u>
Total assets less current liabilities		<u>15,217</u>	<u>21,691</u>
Creditors: amounts falling due after more than one year	20	(19,015)	(24,364)
Provisions for liabilities			
Deferred taxation	22	(3,561)	(3,177)
Net liabilities		<u>(7,359)</u>	<u>(5,850)</u>
Capital and reserves			
Called up share capital	23	6	6
Share premium account	24	373	90
Profit and loss account	24	(7,738)	(5,946)
Equity attributable to owners of the parent company		<u>(7,359)</u>	<u>(5,850)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2021



S McMurtrie
Director

The notes on pages 20 to 36 form part of these financial statements.

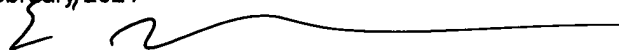
Douglas Topco Limited
Registered number: 10928377

Company Balance Sheet
As at 30 June 2020

	Note	2020 £000	2019 £000
Current assets			
Debtors	18	436	272
Creditors: amounts falling due after more than one year	20	-	(114)
Net assets		<u>436</u>	<u>158</u>
Capital and reserves			
Called up share capital	23	6	6
Share premium account	24	373	90
Profit and loss account	24	57	62
Total equity		<u>436</u>	<u>158</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £5,000 (2019 - loss of £9,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2021



S McMurtrie
Director

The notes on pages 20 to 36 form part of these financial statements.

Douglas Topco Limited

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 July 2019	6	90	(5,946)	(5,850)
Comprehensive income for the year				
Loss for the year	-	-	(1,792)	(1,792)
Shares issued during the year	-	283	-	283
Total transactions with owners	-	283	-	283
At 30 June 2020	6	373	(7,738)	(7,359)

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 July 2018	6	490	(3,765)	(3,269)
Comprehensive income for the year				
Loss for the year	-	-	(2,234)	(2,234)
Purchase of own shares (See note 23)	-	-	(347)	(347)
Capitalisation (See note 23)	-	(400)	400	-
Total transactions with owners	-	(400)	53	(347)
At 30 June 2019	6	90	(5,946)	(5,850)

The notes on pages 20 to 36 form part of these financial statements.

Douglas Topco Limited

Company Statement of Changes in Equity For the Year Ended 30 June 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 July 2019	6	90	62	158
Comprehensive income for the year				
Loss for the year	-	-	(5)	(5)
Total comprehensive income for the year	-	-	(5)	(5)
Contributions by and distributions to owners				
Shares issued during the year	-	283	-	283
Total transactions with owners	-	283	-	283
At 30 June 2020	6	373	57	436

Company Statement of Changes in Equity For the Year Ended 30 June 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 July 2018	6	490	-	496
Comprehensive income for the year				
Profit for the year	-	-	9	9
Total comprehensive income for the year	-	-	9	9
Contributions by and distributions to owners				
Purchase of own shares (see note 23)	-	-	(347)	(347)
Capitalisation (See note 23)	-	(400)	400	-
Total transactions with owners	-	(400)	53	(347)
At 30 June 2019	6	90	62	158

The notes on pages 20 to 36 form part of these financial statements.

Douglas Topco Limited

Consolidated Statement of Cash Flows For the Year Ended 30 June 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(1,792)	(2,234)
Adjustments for:		
Amortisation of intangible assets	3,660	3,373
Depreciation of tangible assets	101	148
Loss on disposal of tangible assets	(49)	2
Interest payable	2,408	2,625
Interest receivable	(11)	(17)
Taxation charge	675	(113)
(Increase)/decrease in stocks	(44)	74
Decrease/(increase) in debtors	1,096	(361)
Increase in creditors	5,617	1,828
Corporation tax (paid)/received	(247)	535
Net cash generated from operating activities	11,414	5,860
Cash flows from investing activities		
Purchase of intangible fixed assets	(689)	(450)
Purchase of tangible fixed assets	(154)	(429)
Sale of tangible fixed assets	101	68
Interest received	11	-
Net cash from investing activities	(731)	(811)
Cash flows from financing activities		
Issue of ordinary shares	283	-
Redemption of ordinary shares	-	(347)
Receipts from draw down of senior facility (net of loan fees)	-	2,406
Interest received	-	17
Repayment of loan notes	(5,746)	(4,708)
Interest paid	(1,892)	(1,967)
Net cash used in financing activities	(7,355)	(4,599)
Net increase in cash and cash equivalents	3,328	450

Douglas Topco Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 30 June 2020

	2020 £000	2019 £000
Cash and cash equivalents at beginning of year	14,463	14,013
Cash and cash equivalents at the end of year	17,791	14,463
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	17,791	14,463
Cash and cash equivalents at the end of year	17,791	14,463

The notes on pages 20 to 36 form part of these financial statements.

Douglas Topco Limited

Consolidated Analysis of Net Debt For the Year Ended 30 June 2020

	At 1 July 2019 £000	Cashflows £000	Payments £000	Non-cash £000	At 30 June 2020 £000
Cash at bank and in hand	14,463	3,328	-	-	17,791
Senior loan facility	(18,503)	-	-	(512)	(19,015)
Investor loan notes	(5,746)	-	5,746	-	-
Management loan notes	(114)	-	114	-	-
	<u>(9,900)</u>	<u>3,328</u>	<u>5,860</u>	<u>(512)</u>	<u>(1,224)</u>

The notes on pages 20 to 36 form part of these financial statements.

Non-cash movement relates to PIK interest as detailed in note 20.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

1. General information

Douglas Topco Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

The principal activity of the group was that of the sale of experience days.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest £1,000.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up for periods to 30 June. The results of subsidiaries acquired are consolidated for the periods from or to the date on which passed. Acquisitions are accounted for under the acquisition method.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.3 Going concern

The group is profitable and uses its working capital to fund its operations. All funding is managed at group level.

We fully anticipate that as COVID-19 restrictions are lifted, and customers can enjoy their experiences, sales will return to pre-COVID levels of growth. The COVID-19 crisis is nonetheless still likely to continue to have some impact on demand for experiences over the next 12 months. To gain comfort over the group's ability to continue as a going concern, the directors have modelled the group's cash position for the 12 months following the date of the signing of the accounts. The exercise incorporated the key sensitivities such as sales, marketing costs, the cost of redemptions and fixed overheads and reflected various scenarios with respect to headline demand, the level and timing of redemptions and the group's ability to flex variable costs and reduce fixed overheads effectively.

Following the year end, the group renegotiated its covenant package with its debt provider to reflect the impact of COVID-19 and ensure the covenants remained relevant to the business. As part of this, additional financial commitment was secured from shareholders in the event it that it would be needed to support the revised covenants.

After reviewing these forecasts and projections, the directors are satisfied that the group has sufficient liquidity to continue to trade as a going concern and can generate sufficient headroom to meet the groups' revised debt covenant requirements for at least twelve months from the date of approval of these financial statements. The directors believe that they are well placed to manage its business risk successfully and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Turnover

Turnover represents the value of vouchers sold during the period, excluding value added tax where applicable. Turnover is recognised at point of sale to the customer.

2.5 Operating leases

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the period of the lease.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Government grants

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The group has not directly benefited from any other forms of government assistance.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The group operates a defined contribution pension plan for its employees. A defined contribution pension plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contribution have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years straight line
Brand Licence	-	20	years straight line
Customer Relationships	-	5	years straight line
Technology	-	5	years straight line
Software	-	3	years straight line

2.10 Tangible fixed assets

Tangible fixed assets are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and position necessary for it to be capable of operating in the manner intended by management.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance
Computer equipment	-	33%	straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and estimate selling price less costs to complete and sell. Cost is calculated using the first-in, first-out ('FIFO') method.

2.13 Trade debtors

Trade debtors are amounts due from customers for goods and services provided in the normal course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowance for doubtful debt.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Unredeemed vouchers

An estimate of the costs of redemption expected to arise for vouchers sold before the year end but not redeemed or expired by this date is included in creditors. This estimate is based upon the company's prior experience of actual sales, redemption levels and costs.

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to group companies.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit and loss.

All financial assets and liabilities held by the company at the balance sheet date are measured at amortised cost.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.17 Current and Deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The following estimates and judgements had most significant effect on amounts recognised in the financial statements:

Estimates

Included in creditors is an estimate of the liability for vouchers sold but not redeemed by the year end. In recognising this liability, management is required to estimate the number of vouchers that are expected to expire without redemption, the number of vouchers expected to be re-activated after expiry and the average cost of redemption. These estimates are derived from an analysis of actual redemption patterns on a product line basis, adjusting for known seasonality or other variances. For new product lines where historical redemption data is not available, management use redemption rates from similar product lines.

Judgements

Management review annually for indicators of impairment of goodwill and other intangible assets. Where an indicator of impairment exists the carrying value is estimated based on value in use, with any reduction in carrying value charged as an impairment loss in profit or loss.

4. Turnover

Turnover is attributable to the one continuing activity of the group and has been stated net of value added tax where applicable. All turnover has arisen from transactions within the United Kingdom.

5. Other operating income

	2020	2019
	£000	£000
Government grants - Furlough	239	-

6. Operating loss

The operating loss is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	101	148
Profit on disposal of fixed assets	49	2
Amortisation of goodwill and intangible fixed assets	3,660	3,373
Other operating lease rentals - property	185	138
Defined contribution pension costs	72	51

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

7. Auditor's remuneration

Fees payable to the Group's auditor in respect of:

	2020 £000	2019 £000
Fees payable to the Company's auditor - as auditors of the parent	9	8
Fees payable to the Company's auditor - as auditors of the Company's subsidiaries	45	38
- Other services	15	7
- Taxation compliance services	15	14

8. Employees

Staff costs, including directors remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	3,844	3,367
Social security costs	370	392
Cost of deferred contribution scheme	72	51
	4,286	3,810

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

	2020 No.	2019 No.
Directors	5	7
Administrative	82	80
Sales	9	9
	96	96

A defined contribution pension scheme is operated by the company on behalf of the employees. The assets of the scheme are held separately from those of the company in independently administrated funds. The pension charge represents contributions payable by the company to the fund. Contributions amounting to £15,183 (2019 - £14,669) were payable to the fund at the year end and are included in creditors.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

9. Director remuneration

	2020 £000	2019 £000
Directors' emoluments	367	544
Company contributions to defined pension schemes	5	2
	<u>372</u>	<u>546</u>

During the year retirement benefits were accruing to 1 (2019 - 1) director in respect of defined contribution pension schemes.

The highest paid director received remuneration of £194,000 (2019 - £294,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2019 - £Nil).

During the year Key Management Personnel received remuneration of £980,000 (2019 - £1,276,000).

10. Interest receivable and similar income

	2020 £000	2019 £000
Other interest receivable	<u>11</u>	<u>17</u>

11. Interest payable and similar charges

	2020 £000	2019 £000
Investor loan notes	415	742
Senior loan facility	1,985	1,835
Management loan notes	8	48
	<u>2,408</u>	<u>2,625</u>

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

12. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax	280	(113)
Adjustments in respect of previous periods	11	-
Total current tax	291	(113)
Deferred tax		
Origination and reversal of timing differences	385	(47)
Adjustment in respect of prior periods	11	47
Effect of tax rate change	(12)	-
Total deferred tax	384	-
Taxation on loss on ordinary activities	675	(113)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(1,117)	(2,347)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%.	(212)	(446)
Effects of:		
Expenses not deductible for tax purposes	376	355
Adjust closing deferred tax to average rate of 19%	338	50
Adjustments to tax charge in respect of prior periods	22	(72)
Deferred tax not recognised	151	-
Total tax charge for the year	675	(113)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

13. Goodwill

Group

	Goodwill £000
Cost	
At 30 June 2020	15,230
Amortisation	
At 1 July 2019	2,792
Charge for the year	1,523
At 30 June 2020	4,315
Net book value	
At 30 June 2020	10,915
At 30 June 2019	12,438

Goodwill arising on acquisition of subsidiary undertakings, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and amortised over its useful economic life of 10 years. If the recoverable amount of the cash generating unit is less than the carrying amount of the investment, the impairment of the related goodwill is recognised in profit and loss.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

14. Intangible assets

Group

	Customer relationships £000	Brand licence £000	Software development £000	Technology £000	Total £000
Cost					
At 1 July 2019	1,980	18,208	841	2,204	23,233
Additions	-	-	689	-	689
At 30 June 2020	1,980	18,208	1,530	2,204	23,922
Amortisation					
At 1 July 2019	726	1,669	172	808	3,375
Charge for the year	396	910	390	441	2,137
At 30 June 2020	1,122	2,579	562	1,249	5,512
Net book value					
At 30 June 2020	858	15,629	968	955	18,410
At 30 June 2019	1,254	16,539	669	1,396	19,858

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

15. Tangible fixed assets

Group

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 July 2019	17	453	148	618
Additions	-	122	32	154
Disposals	-	(74)	(21)	(95)
At 30 June 2020	17	501	159	677
Depreciation				
At 1 July 2019	14	111	45	170
Charge for the year	1	55	45	101
Disposals	-	(25)	(17)	(42)
At 30 June 2020	15	141	73	229
Net book value				
At 30 June 2020	2	360	86	448
At 30 June 2019	3	342	103	448

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

16. Investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Douglas Midco Limited	Holding Company	Ordinary shares	100%
Douglas Bidco Limited*	Holding Company	Ordinary shares	100%
Virgin Experience Days Limited**	Sale of experience vouchers	Ordinary shares	100%

The registered address of the above subsidiary undertakings is Stamford House, Boston Drive, Bourne End, Buckinghamshire, SL8 5YS.

* Indirectly held by Douglas Midco Limited

** Indirectly held by Douglas Bidco Limited

17. Stocks

	Group 2020 £000	Group 2019 £000
Finished goods and goods for resale	107	63

18. Debtors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	1,036	2,254	-	-
Amounts owed by group undertakings	-	-	436	272
Other debtors	340	7	-	-
Prepayments and accrued income	337	620	-	-
S455 tax debtor	68	-	-	-
Tax recoverable	-	(4)	-	-
	<u>1,781</u>	<u>2,877</u>	<u>436</u>	<u>272</u>

All amounts shown under debtors are due within one year, except other debtors, which includes staff loans which are repayable in more than one year and are interest free.

The amounts owed by group undertakings are repayable on demand. Interest is payable at 12% per annum on a quarterly basis.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

19. Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000
Trade creditors	847	2,323
Unredeemed voucher accrual	26,891	19,962
Corporation tax	114	-
Other taxation and social security	5,279	4,275
Accruals and deferred income	1,104	1,896
	34,235	28,456

20. Creditors: amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Management loans	-	114	-	114
Investor loans	-	5,747	-	-
Senior loan facility	19,015	18,503	-	-
	19,015	24,364	-	114

The Management loan notes are unsecured and redeemable on 31 August 2024 or immediately in the event of an exit of the business. Interest accrues at 12% per annum. The Management loan notes were settled in the year in their entirety.

During the year a repayment of £114,000 (2019 - £546,000) was made in respect of the management loan notes. Included in this was accrued interest of £22,000 (2019 - £89,000).

The Investor loan notes are redeemable on 31 August 2024 or immediately in the event of an exit of the business. Interest of 12% per annum in the shareholder loan notes can be paid in cash or settled in PIK notes. There have been no transaction costs capitalised against the loan.

During the year a repayment of £6,162,000 (2019 - £4,661,000) was made in respect of the investor loan notes. Included in this was accrued interest of £417,000 (2019 - £499,000).

The senior loan facility, which includes an additional drawdown of £2,500,000 on 5 September 2018, is repayable on 21 January 2023 or immediately in the event of an exit of the business. Interest is payable at 6.75% plus libor, which is currently at 0.75% (2019 - 0.77%), per annum, and PIK interest accrues at 0.75% (2019 - 1.5%) per annum. Transaction costs of £1,134,000 (2019 - £1,134,000) are directly attributable to the arrangement of this facility and have been capitalised against the loan. Transaction costs are being amortised over the period of the loan facility. At year end the balance was £641,000 (2019 - £848,000).

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

21. Loan maturity analysis

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Amounts falling due 2-5 years				
Senior loan facility	19,015	18,503	-	-
	<u>19,015</u>	<u>18,503</u>	<u>-</u>	<u>-</u>
Amounts falling due after 5 years				
Management loan notes	-	114	-	114
Investor loan notes	-	5,747	-	-
	<u>19,015</u>	<u>24,364</u>	<u>-</u>	<u>114</u>

22. Deferred taxation

Group

	2020 £000
At beginning of year	(3,177)
Charged to profit or loss	(384)
At end of year	<u><u>(3,561)</u></u>

The provision for deferred taxation is made up as follows:

	Group 2020 £000	Group 2019 £000
Intangible assets revaluation	(3,334)	(3,287)
Tax losses carried forward	-	246
Accelerated capital allowances	(227)	(136)
	<u><u>(3,561)</u></u>	<u><u>(3,177)</u></u>

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

23. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
377,591 Ordinary A1 shares of £0.01 each	4	4
11,875 Ordinary A2 shares of £0.03 each	-	-
20,000 Ordinary C1 shares of £0.02 each	1	1
14,375 Ordinary C2 shares of £0.03 each	1	1
20,000 Ordinary C3 shares of £0.02 each	-	-
34,594 Ordinary C4 shares of £0.01 each	-	-
	<u>6</u>	<u>6</u>

On 12 October 2018 372,907 A Ordinary shares were re-designated as A1 Ordinary shares, 11,875 C2 Ordinary shares re-designated as A2 shares and 6,774 B Ordinary shares re-designated as A1 shares. On 28 October 2018 6,773 B Ordinary shares were re-designated as C4 Ordinary shares. On 3 December 2018 2,090 A1 Ordinary shares were re-designated as C4 Ordinary shares.

On each of 27 March 2019 and 1 May 2019 Share Premium was reduced by £200,000 and transferred to the Profit and Loss Account as distributable reserves. On each of 29 March 2019 and 3 May 2019 the Company repurchased out of distributable reserves 6,773 B Ordinary and 11,875 C2 Ordinary shares for a total of £347,000, reducing Share Premium by the same amount.

On 12 July 2019 18,995 C4 Ordinary shares with a nominal value of £0.01 were issued and £14.93 paid, resulting in a £283,000 share premium. On 20 December 2019 486 C4 Ordinary shares with a nominal value of £0.01 were issued and £14.93 paid, resulting in a share premium of £7,251. On 19 May 2020 these 486 shares were cancelled, resulting in a decrease in the share premium of £7,251.

24. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Douglas Topco Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

25. Commitments under operating leases

At 30 June 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2020 £000	2019 £000
Not later than 1 year	185	185
Later than 1 year and not later than 5 years	370	555
	<u>555</u>	<u>740</u>

Lease payments of £185,000 (2019 - £138,000) have been recognised as an expense in profit or loss.

26. Related party transactions

The group was invoiced £153,000 (2019 - £155,000) by Inflexion Private Equity Partners LLP in respect of director fees.

The group was invoiced £73,000 (2019 - £77,000) in respect of chairman and administration fees by Thames Consultancy and Chairman Services Limited, a company in which S McMurtrie is a director and shareholder.

27. Controlling party

The ultimate controlling party is Inflexion Enterprise Fund IV Guernsey Limited, a company incorporated in Guernsey, by virtue of its management of private equity funds which hold 100% of the company's class A ordinary shares, which comprise 81.4% (2019 - 84.9%) of the Company's total share capital.