Registration number: 11334241

Wednesday Midco Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2019

Wednesday Midco Limited

Contents

Wednesday Midco Limited

Company Information

Directors	A G C Francis C J McCavert D A Retif D Smith A L Yateman-Smith
Company secretary	M Sharmacharja
Registered office	Shortlands 5th Floor 3 Shortlands Hammersmith London W6 8DA
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ
Bankers	The Royal Bank of Scotland 250 Bishopsgate London EC2M 4AA
Legal	Travers Smith LLP 10 Snow Hill London EC1A 2AL Fox Williams LLP 10 Finsbury Square London EC2A 1AF

Wednesday Midco Limited

Strategic Report for the Year Ended 31 October 2019

The Directors in preparing strategic report, have complied with S414C of Companies Act 2006.

Wednesday Midco Limited (the 'Company') was incorporated on 27 April 2018. The prior period spanned 187 days with the current period covering a full year ended 31 October 2019, therefore comparison between the two periods is not like for like.

The Company is a subsidiary of Wednesday Topco Limited (the 'Group').

Principal activities
The principal activity of the Company is that of a corporate holding company.

Impact of conversion to FRS 101
For the period ended 31 October 2018, the Company prepared its financial statements in accordance with Financial Reporting Standard 102 (FRS 102). These financial statements are the first the Company has prepared in accordance with Financial Reporting Standards 101 (FRS 101) as adopted by the EU. The prior year numbers have been restated to be on a consistent basis and also for the prior year restatement as detailed below.

Prior year restatement
The prior year restatement is due to an incorrect interest rate being charged on the inter-company loan balance of £156.2m between the Company and its subsidiary, Wednesday Bidco Limited. In the prior period, all the interest on the inter-company balance was charged in line with the stepped interest charged on the external loan notes issued by the Company: 8% for 3 years up to 23 May 2021, 10% up to 23 May 2022 and 12% thereafter. The loan balance should have been split between £121.3m subject to interest at 12% and £34.9m subject to the interest rates as detailed above. The impact of this restatement is an increase in interest income of £2.0m and an increase in the amounts owed from subsidiary undertakings of £2.0m.

Review of the business
The profit for the period was £3,651k (2018 (restated): £1,728k) and the net asset position was £5,379k (2018 (restated): £1,728k).

Key performance indicators
The Company has no specific key performance indicators and the Company's ultimate Parent Company, Wednesday Topco Limited, has disclosed its key performance indicators. The financial statements of Wednesday Topco Limited can be obtained from the address in note 15.

Principal risks and uncertainties

Competitive risks
The wider Group provides travel services via an online platform. The Directors recognise that whilst there are other companies that provide similar services, the wider Group is differentiated by its technical solutions. The Directors believe that the wider Group's offering is well received in the market amongst its clients and is well-positioned to manage its business risks arising from competition.

The wider Group operates in a competitive market particularly around price. This can result in downward pressure on margins but the wider Group mitigates the risk through a differentiated customer experience. The wider Group further mitigates this risk by establishing strong relationships with suppliers.

Other risks

Consumer confidence risk

The wider Group is dependent on consumer's willingness to travel and to sustain certain levels of disposable income on travel. In addition, terrorist attacks at key holiday destinations may potentially have short term financial impacts for the wider Group. However, the wider Group's value driven customer experience and destination agnostic search reduce the potential impacts of the consumer confidence risk.

Principal risks and uncertainties (continued)

Other risks (continued)

Brexit risk

The UK left the European Union ("EU") on 31 January 2020 following the referendum held on 23 June 2016 ("Brexit"). The UK has entered a transition period until 31 December 2020 where the British government continues to review and negotiate the terms of the UK's future with the EU. During this transition period the current rules on trade and travel will continue to apply as they have done previously.

At the time of the report there is still the risk, albeit smaller than in the previous period, that the UK could end up in a no deal situation.

In this scenario, a no deal situation, it is likely to affect various areas. Firstly flights could be disrupted for a short period while new aviation rights are agreed. Government reassurances have been made in relation to a temporary agreement which could be feasible to minimise disruption to flights. Disruption to flights could result in the wider Group incurring additional costs in supporting affected customers and this could result in a general reduction in consumer confidence. Currency risk could arise from uncertainty over negotiations causing volatility in the global stock markets and further devaluation of Sterling against foreign currencies in which the wider Group conducts business. Whilst the business uses foreign exchange forward contracts to mitigate forex exposures, there is the risk that as the pound weakens, holidays become more expensive and this affects consumer appetite. The possibility of a no deal Brexit could also result in lowered consumer confidence and reduced demand in booking which could be exaggerated if the UK falls into recession. The wider Group also potentially faces people risk as potential restrictions on freedom of movement could adversely impact the wider Group's ability to attract and retain talent. Furthermore, supplier failure risk could arise due to the increased regulations and aforementioned risks which are likely to affect other companies in the travel industry. Whilst this would result in increased compensation claims, the wider Group would be able to counter claim this minimising the financial exposure.

The alternative scenario is that a trade deal is agreed. Whilst the details of the trade deal will determine the impact on the risks faced by the wider Group, it is likely to be less of an impact than in a no deal scenario as described above.

The wider Group has contingency plans for a no deal Brexit and therefore is able to trade from the EU if required. The wider Group is aware that key flight suppliers are pursuing their own no deal Brexit mitigation strategies although there is the risk of supplier failure due to a potentially increased regulatory environment. As such, the wider Group believe that any operational challenges that could arise from an agreed deal could be managed and mitigated appropriately both internally and across the industry.

Regulatory risk

The travel industry continues to rapidly evolve, driven by innovation and technology as the travel experience becomes more digitalised. The General Data Protection Regulations ("GDPR") places more focus on data protection has had an impact on the wider Group processes and controls. Future regulations are likely to have a similar impact. The wider Group ensured GDPR compliance by the implementation date, which came into effect in May 2018.

The Package Travel Directive came into force on 1 July 2018 which is aimed at increasing the accountability of travel agents. This means that the wider Group now potentially has additional liabilities to the consumer. This could result in the wider Group having to compensate the customer if something goes wrong, but this would be mitigated by counter claims lodged by the wider Group against the end suppliers. The wider Group has included provisions to cover these additional potential liabilities.

Principal risks and uncertainties (continued)

Other risks (continued)

Supply risk

The wider Group acts as an agent between consumers and travel suppliers and is therefore entirely reliant on third parties to supply travel services to our consumers. Although the wider Group has insurance policies in place, the disruption from supplier failure may impact the profitability of the business.

Whilst the impact of the supplier failure of an airline can be material, the Group purchases flights from a number of airlines and purchases these flights using virtual cards which are protected by chargeback rights. The wider Group's hotel portfolio includes larger bed banks and also direct relationships with hotel chains. The wider Group minimises its exposure to any hotel supplier failure losses in the most part by settling liabilities subsequent to the consumers' check out date. The wider Group maintains close relationships with its regulators and across the industry to ensure it is well informed and able to react quickly to any potential supplier failures. Furthermore the wider Group's expansion into new international markets as well a as broader product offering helps to diversify its supplier portfolio.

Financial risk

The Company uses external financing to support the wider Group's strategy with long term loan notes. In May 2018, the wider Group raised new senior debt funding from a syndicate group of five financially stable lenders for a seven year term which are subject to financial covenants and undertakings that the Directors monitor. The loan notes, which are subordinate to the senior debt, were issued by the Company and are repayable at the earlier of an exit event or 2027. During the current year, £120.8m of A Loan and £0.5m of PIK notes were listed on The International Stock Exchanges (TISE) in Guernsey.

The Directors consider the funding needs of the Company to be robust.

Future developments

The Directors believe that the wider Group is well positioned to provide customers with its travel services. The wider Group intends to grow its operations by continuing to invest in the development of new technologies and expects further growth in the coming year.

Approved by the Board of Directors on 25/2/20 and signed on its behalf by:

....

C J McCavert
Director

Shortlands 5th Floor
3 Shortlands
Hammersmith
London
W6 8DA

Wednesday Midco Limited

Directors' Report for the Year Ended 31 October 2019

The Directors present their annual report on the affairs of the Wednesday Midco Limited ('the Company'), together with the audited financial statements and Auditor's Report for the year ended 31 October 2019.

Future developments
Details of the future developments can be found in the Strategic Report on page 4 and form part of this report by cross reference.

Events after the reporting period
There were no reportable events after the reporting period.

Financial risk management objectives and policies

The Company's principal financial instruments comprise intercompany loans, and loan notes. The main purpose of these financial instruments is to provide funding for the Company's operations.

The Company's activities expose it to interest rate risk. The Company reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

Interest is charged on the loan notes negotiated by the Company in May 2018. The rates are fixed and, as such the Directors do not consider it necessary to mitigate the interest rate risk.

Dividends
The Directors have not recommended a dividend (2018: £nil).

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the Annual Financial Statements.

Further details regarding the adoption of the going concern basis can be found in note 3 to the financial statements.

Directors' of the Company
The directors, who served throughout the year and subsequently, except as noted were as follows:

A G C Francis

C J McCavert

D Smith

A L Yateman-Smith

D A Retif (appointed 9 December 2019)

Directors' indemnities
The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Wednesday Midco Limited

Directors' Report for the Year Ended 31 October 2019 (continued)

Auditor
Each of the persons who is a Director at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Reappointment of auditor
In accordance with S485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 25/12/20 and signed on its behalf by:

....
C J McCavert
Director

Shortlands 5th Floor
3 Shortlands
Hammersmith
London
W6 8DA

Wednesday Midco Limited

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Wednesday Midco Limited

Report on the audit of the financial statements

1) Opinion

In our opinion the financial statements of Wednesday Midco Limited ("the Company"):

- give a true and fair view of the state of the company's affairs as at 31st October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

1) Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were the accuracy of interest income and valuation of intercompany receivable.
Materiality	The materiality that we used in the current year was £161,000 which was determined on the basis of net assets.
Scoping	Audit work to respond to the risk of material misstatement was performed directly by the audit engagement team.

2) Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in 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 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.	**We have nothing to report in respect of these matters.**

3) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3.1. Accuracy of Interest Income

Key audit matter description	The company has received interest income of £17,441k in the year (2018: £7,647k). Interest income is a key indicator of the company's ability to make future interest and capital repayments in respect of its listed debt. While all payments on these notes are due at maturity in 2027, holders of these notes will expect the company to earn sufficient income during this period to facilitate the fulfilment of this future liability. Interest income was materially understated by £4,412k in the prior period due to an incorrect interest rate being applied to the balance which has resulted in a prior year misstatement. The prior year mistatement has been disclosed in note 3 of the financial statements. The interest income recognised in the year is outlined in note 7 of the financial statements.
How the scope of our audit responded to the key audit matter	We obtained the loan notes and loan instrument agreements, agreed the interest rate applied back to the agreements and recalculated the interest income based on the stated terms to address the risk that interest receivable has been inaccurately recognised. We also verified that the principle balance remained unchanged in the year. In order to verify completeness we have confirmed that all loan calculations within the company are using the appropriate interest rate as per the contractual agreement.
Key observations	Based on the work performed we conclude that the interest income has been appropriately recognised in the current period.

3.2. Valuation of Intercompany Receivable

Key audit matter description	The company has intercompany receivables of £180,397k (2018: £163,092k). The valuation of the intercompany receivable with Wednesday Bidco Limited is a key driver of the company's net asset position and consequent ability to repay the principal and interest of the listed loan notes upon maturity. The underlying risk of irrecoverability is determined by investment value and trading performance of Want2bthere Limited and We Love Holidays Limited (the trading indirect subsidiary of Wednesday Bidco Limited). This balance was materially overstated in the prior year by £4,412k as a result of the interest misstatement noted above. Further information regarding the misstatement has been disclosed in note 3 of the financial statements. The intercompany receivable balance is outlined in note 10 of the financial statements.
How the scope of our audit responded to the key audit matter	We have evaluated the design and implementation of the key controls management have in place to asssess impairment indicators in Want2bethere Limited. We have assessed for indicators of impairment of the intercompany loan receivable from Wednesday Bidco Limited to determine if the value of the loan receivable has been appropriately recognised. We have compared the carrying amount of the receivable to the net asset position of the underlying subsidiary the receivable is due from to identify indicators of impairment.
Key observations	Based on the work performed we conclude that the valuation of the loan is appropriate. We have determined that no impairment is necessary in respect of this intercompany loan receivable from Wednesday Bidco Limited in the current year.

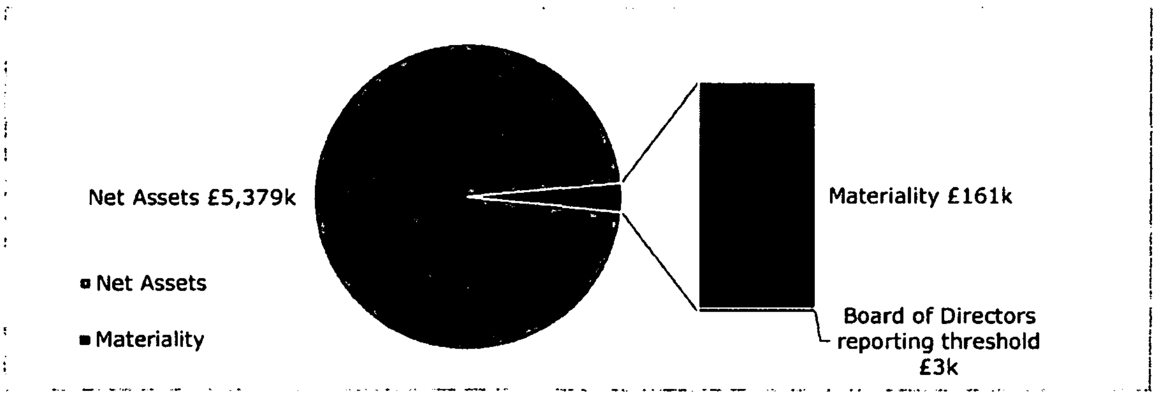
4) Our application of materiality

4.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£161,000
Basis for determining materiality	3% of net assets
Rationale for the benchmark applied	Net assets is the key metric for the users of the financial statements as it indicates the ability of Wednesday Midco Limited to continue to make interest payments in respect of the listed debt securities to maturity on 31 December 2027.



4.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit. In determining performance materiality, we considered the quality of the control environment, the fact that the entity was incorporated in the previous period and the prior year misstatement.

Error reporting threshold

We agreed with the Board of Directors that we would report to the directors all audit differences in excess of £3,220, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

5) An overview of the scope of our audit

The entity is a holding company for both external listed debt and an intercompany receivable relating to the acquisition of We Love Holidays in 2018 Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Independent Auditor's Report to the Members of Wednesday Midco Limited (continued)

6) 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 respect of these matters.

7) 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.

8) 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

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

10) Matters on which we are required to report by exception

10.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

10.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

11) Use of our report

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

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
27 February 2020

Wednesday Midco Limited

Statement of Profit and Loss for the Year Ended 31 October 2019

	Note	12 months ended 31 October 2019 £ 000	(Restated) 6 months ended 31 October 2018 £ 000
Administrative expenses		(2)	-
Other interest receivable and similar income	7	15,305	6,741
Interest payable and similar expense	7	(11,652)	(5,013)
Profit before taxation		3,651	1,728
Tax on profit	8	-	-
Profit for the financial year/period		3,651	1,728

The above results were derived from continuing operations.

There are no further recognised items of other comprehensive income for the current and preceding financial period and as a result no statement of other comprehensive income is presented.

See note 16 in the financial statements for information on the prior year restatement.

Wednesday Midco Limited

Statement of Financial Position as at 31 October 2019

	Note	31 October 2019 £ 000	(Restated) 31 October 2018 £ 000
Assets			
Non-current assets			
Investments	9	-	-
Trade and other receivables	10	38,933	35,964
		38,933	35,964
Current assets			
Trade and other receivables	10	141,464	127,128
Total current assets		141,464	127,128
Total assets		180,397	163,092
Equity and liabilities			
Capital reserves			
Called-up share capital	11	-	-
Retained earnings	11	5,379	1,728
Total equity		5,379	1,728
Non-current liabilities			
Trade and other payables	13	27,306	25,224
Loans and borrowings	12	146,267	134,547
		173,573	159,771
Current liabilities			
Trade and other payables	13	1,445	1,593
Total liabilities		175,018	161,364
Total equity and liabilities		180,397	163,092

See note 16 in the financial statements for information on the prior year restatement.

The financial statements of Wednesday Midco Limited (registered number: 11334241) were approved by the Board of Directors and authorised for issue on 25.2.20

They were signed on its behalf by:

C J McCavert
Director

The notes on pages 17 to 27 form an integral part of these financial statements.

Wednesday Midco Limited

Statement of Changes in Equity for the Year Ended 31 October 2019

	Called-up share capital £ 000	Retained earnings £ 000	Total £ 000
At 27 April 2018	-	-	-
Profit for the period (restated)	-	1,728	1,728
Total comprehensive income (restated)	-	1,728	1,728
At 31 October 2018 (restated)	-	1,728	1,728

	Called-up share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 November 2018	-	1,728	1,728
Profit for the year	-	3,651	3,651
Total comprehensive income	-	3,651	3,651
At 31 October 2019	-	5,379	5,379

See note 16 in the financial statements for information on the prior year restatement.

1 General information

Wednesday Midco Limited (the "Company") is a private company limited by share capital, registered in England and Wales, incorporated and domiciled in United Kingdom.

The address of its registered office is:
Shortlands 5th Floor
3 Shortlands
Hammersmith
London
W6 8DA
England

The nature of the Company's operations and its principal activities of the Company are set out in the Directors' Report on pages 5 to 7.

The functional currency of Wednesday Midco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Changes in accounting policy
The Company has presented its financial statements in accordance with full Financial Reporting Standard 101 (FRS 101) this year. It previously presented its financial statements in accordance with Financial Reporting Standard 102 (FRS 102).

The changes in accounting standards did not have an impact on its financial statements.

2 Adoption of new and revised standards

IFRIC 22 'Foreign Currency Transactions and Advance Consideration'

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

Impact of application of IFRS 9 'Financial Instruments'

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The application of IFRS 9 has not had a significant impact on the financial position and/or financial performance of the Company.

3 Accounting policies

Basis of preparation

The Company meets definition of a qualifying entity under FRS 100. Application of financial reporting requirement issued by the FRC. Accordingly these financial statements were prepared in accordance with Financial Reporting Standards 101, Reduced Disclosures Framework.

This is the first period of account for which financial statements have been prepared under FRS 101.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the historical costs basis. Historical cost is generally based on the full value of the consideration given in exchange for the goods and services.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(1) and 135(c)-135(e) of IAS 36 Impairment of Assets; and

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis in preparing the annual financial statements.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3 Accounting policies (continued)

Tax (continued)

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax and rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to scale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expected, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Investments
Fixed asset investments are stated at cost less any provision for diminution in value and reassessed for impairment annually.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the risk financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value of financial assets and liabilities

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Prior year restatement

The prior year restatement due to an incorrect interest rate being charged on the inter-company loan balance of £156.2m between the Company and its subsidiary, Wednesday Bidco Limited. In the prior period, all the interest on the inter-company balance was charged in line with the stepped interest charged on the external loan notes issued by the Company: 8% for 3 years up to 23 May 2021, 10% up to 23 May 2022 and 12% thereafter. The loan balance should have been split between £121.3m subject to interest at 12% and £34.9m subject to the interest rates as detailed above. The impact of this restatement is an increase in interest income of £2.0m and an increase in the amounts owed from subsidiary undertakings of £2.0m.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements that have a significate impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The Directors do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with below).

Key source of estimation uncertainty

The Directors consider the following to be the key sources of estimation uncertainty with significant effect on the amounts recognised in the financial statements.

i) Financial instruments - loans and borrowings

The Company recognises loans and borrowings at amortised cost less any directly attributable issue costs. The interest expense is spread over managements' best estimate of the life of the loans and borrowings.

5 Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £15k (2018: £15k). This amount was borne by the Company's subsidiary Want2bthere Limited.

The total fees payable in relation to non audit services were £13k (2018: £13k).

6 Staff costs

The Company does not have any employees. No Directors' remuneration was paid by the Company during the year (2018: £nil). Directors' remuneration is disclosed within the financial statements of the parent company, Wednesday Topco Limited.

7 Net finance income

	12 months ended 31 October 2019 £ 000	(Restated) 6 months ended 31 October 2018 £ 000
Interest payable on loan notes	(11,652)	(5,013)
Interest payable on inter-company loans	(2,136)	(906)
Interest receivable on inter-company loans	17,441	7,647
	3,653	1,728

8 Tax on profit

Tax charged in the statement of profit and loss:

	12 months ended 31 October 2019 £ 000	6 months ended 31 October 2018 £ 000
Current taxation		
UK corporation tax	-	-
Tax expense in the statement of profit and loss	-	-

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018: the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	12 months ended 31 October 2019 £ 000	(Restated) 6 months ended 31 October 2018 £ 000
Profit before taxation	3,651	1,728
Corporation tax at standard UK tax rate of 19% (2018: 19%)	694	328
Expense not deductible	1,400	548
Effects of group relief/other reliefs	(2,908)	(1,280)
Deferred tax not provided	814	404
Total tax charge/(credit)	-	-

The reduction in the main rate of corporation tax to 19% came into effect from 1 April 2017. Further reductions from 19% to 17% (effective 1 April 2020) were substantively enacted on 7 September 2016, in the Finance Act 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date. The closing deferred tax asset at 31 October 2019 has been calculated at 17% reflecting the tax rate at which the deferred tax is expected to be utilised in the future periods.

At the end of the reporting period the Company had an unrecognised deferred tax asset of £606k (2018: £361k) in relation to tax losses.

9 Investments

	2019	2018
	£	£
Investments in subsidiaries	1	1

Subsidiaries

	£
Cost or valuation	
At 1 November 2018 and 31 October 2019	1
Carrying amount	
At 31 October 2019	1
At 31 October 2018	1

Details of undertakings

Company

Subsidiary undertakings	Country of registration or incorporation	Class	Shares held %	Principal activity
Wednesday Bidco Limited	England	Ordinary	100	Holding company
Want2bthere Limited*	England	Ordinary	100	Provision of head office services
We Love Holidays Limited*	England	Ordinary	100	Exploitation of intellectual property
WLH US Holding Limited*	England	Ordinary	100	Holding company
We Love Holidays Ireland Limited*	Ireland	Ordinary	100	Holding company
We Love Holidays LLC*	U.S.	Ordinary	100	Collection agent
Amamos Las Vacaciones SL*	Spain	Ordinary	100	Provision of contracting services

* Held indirectly by a subsidiary undertaking.

The registered address for all the UK based subsidiaries is Shortlands 5th Floor, 3 Shortlands, Hammersmith, London, W6 8DA. The registered address for We Love Holidays LLC is 1201 Hays Street, Tallahassee, Florida, U.S. 32301. The registered address for Amamos Las Vacaciones SL is Paseo Del Borne 143, 07012-Palma de Mallorca, Mallorca. The registered address for We Love Holidays Ireland Limited is Enterprise House, O'Brien Road, Carlow, Ireland.

The Company; as a guarantor for the borrowings, has a fixed charge over its entire investment in Wednesday Bidco Limited to secure the borrowings of its subsidiary. There is also a fixed charge over Wednesday Bidco Limited's investment held in Want2bthere Limited. Wednesday Bidco Limited had drawn down on £30m (2018: £20m) in relation to the senior debt facility.

10 Trade and other receivables

	31 October 2019 £ 000	(Restated) 31 October 2018 £ 000
Amounts falling due within one year:		
Amounts due from subsidiary undertakings	141,464	127,128

	31 October 2019 £ 000	(Restated) 31 October 2018 £ 000
Amounts falling due after more than one year:		
Amounts due from subsidiary undertakings	38,933	35,964
	38,933	35,964
	180,397	163,092

Amounts owed from subsidiary undertakings are split between one loan with a principal value of £121.3m (2018: £121.3m) with interest of 12% and repayable on demand; and one loan with a principal value of £34.9m (2018: £34.9m) which is interest bearing and repayable in line with the terms of the loan notes (see note 12). A debenture has been charged over all assets of the Company in its position as guarantor of its subsidiary's borrowings (see note 9). Amounts included within trade and other receivables are inclusive of accrued interest.

11 Called-up share capital

Allotted, called-up and fully paid shares

	31 October 2019 No.	31 October 2019 £	31 October 2018 No.	31 October 2018 £
Ordinary Share of £1 each	1	1	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

Retained earnings reserve

The retained earnings reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

12 Loans and borrowings

	31 October 2019 £ 000	31 October 2018 £ 000
Non-current loans and borrowings		
Management loan notes and accrued interest	147,356	136,285
Capitalised costs of issuing loan notes	(1,089)	(1,738)
	146,267	134,547

Loan notes

As part of the funding arrangements for the transaction on 28 May 2018, £131.3m of loan notes were issued. A further £0.1m were issued in 2019. These loan notes carry an interest rate of 8% for 3 years up to 23 May 2021, 10% up to 23 May 2022 and 12% thereafter. The loan notes are repayable on the earlier of an exit event or upon reaching 2027 where the interest and principal is repaid. Costs of £1.7m were incurred in the raising of the loan notes. The amount has been capitalised and is being amortised over management's best estimate for the term of the loan borrowings.

During the year, £120.8m of A loan notes and £0.5m of PIK notes were listed on The International Stock Exchange (TISE) in Guernsey.

Borrowings are repayable as follows:

	31 October 2019 £ 000	31 October 2018 £ 000
Loan notes		
After five years	146,267	134,547
	146,267	134,547

13 Trade and other payables

	31 October 2019 £ 000	31 October 2018 £ 000
Amounts falling due within one year:		
Amounts due to ultimate parent company	507	590
Amounts due to subsidiary undertakings	938	1,003
	1,445	1,593

	31 October 2019 £ 000	31 October 2018 £ 000
Amounts falling due after more than one year:		
Amounts due to ultimate parent company	27,306	25,224
	27,306	25,224
	28,751	26,817

13 Trade and other payables (continued)

Amounts owed to ultimate parent company are split between one loan note with a principal value of £0.4m (2018: £0.4m) with interest of 12% and repayable on demand and one loan with a principal value of £24.5m (2018: £24.5m), which is interest bearing and repayable in line with the terms of the loan notes (see note 12). Amounts included within trade and other payables are inclusive of accrued interest.

14 Related party transactions

As a qualifying entity, the Company has taken advantage of the exemption under FRS 101 not to disclose transactions with wholly owned Group companies.

Issue of loan notes

During the period, the Company issued loan notes to the following related parties:

	31 October 2019 £ 000	31 October 2018 £ 000
As at 1 November	132,512	-
Loan notes issued to a shareholder with significant influence	-	118,315
Loan notes issued to key management personnel	-	9,680
Loan notes issued to persons no longer considered key management personnel	(345)	-
Interest charged on loan notes issued to a shareholder with significant influence	9,799	4,175
Interest charged on loan notes issued to key management personnel	788	342
	142,754	132,512

Refer to note 12 for details on the loan notes.

15 Parent and ultimate parent undertaking

The Company's immediate parent is Wednesday Topco Limited. These financial statements are available upon request from 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA

The Directors consider Livingbridge EP LLP to be the ultimate controlling party.

The largest and smallest group of which Wednesday Midco Limited is a member and for which consolidated financial statements are prepared by Wednesday Topco Limited with the registered address of 5th floor, 3 Shortlands, Hammersmith, London, W6 8DA. Copies of consolidated financial statements can be obtained from the Company Secretary at the aforementioned registered address.

16 Impact of conversion to FRS 101 and effect of prior year restatement FRS 101 (Financial Reporting Standard 101)

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) adopted by the EU. There was no material impact on the financial statements as a result of the transition. The last financial statements under a previous FRS 102 were for the year ended 31 October 2018 and the date of transition to IFRS was therefore 1 November 2017.

The prior year restatement is due to an incorrect interest rate being charged on the inter-company loan balance of £156.2m from the Company to its subsidiary, Wednesday Bidco Limited. In the prior period, all the interest on the inter-company balance was charged in line with the stepped interest charged on the external loan notes issued by the Company: 8% for 3 years up to 23 May 2021, 10% up to 23 May 2022 and 12% thereafter. The loan balance should have been split between £121.3m subject to interest at 12% and £34.9m subject to the interest rates as detailed above. The impact of this restatement is an increase in interest income of £2.0m and an increase in the amounts owed from subsidiary undertakings of £2.0m.