

Cannes Midco Ltd

Annual Report and Financial Statements

Year Ended

31 October 2020

Company Number 11352283



Cannes Midco Ltd

Company Information

Directors	S Byrne E Crosier
Registered number	11352283
Registered office	Venus No. 1 Old Park Lane Trafford City Manchester M41 7HA
Independent auditor	Deloitte LLP The Hanover Building Corporation Street Manchester M4 4AH
Bankers	Lloyds Bank Plc 42-46 Market Street Deansgate Manchester M1 1PW

Cannes Midco Ltd

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Cannes Midco Ltd

Strategic Report For the Year Ended 31 October 2020

The directors presents their strategic report and audited financial statements for the year ended 31 October 2020.

Principal activity

The Company's principal activity is that of a holding company.

Business review

The Company's purpose is to hold the investment in Cannes Midco II Limited within the Cannes Topco Group (the 'Group'), the principal activity of which is the provision of a technology platform, travel content and other services to self-employed travel professionals and independent travel businesses on a franchise basis, who in turn provide holidays and corporate travel services to the public and to businesses.

The Company does not have any employees and the directors are remunerated from other Group companies. As such no employee or directors' information is included within the notes to the financial statements.

The Company made a loss of £1.6m (2019 - loss of £1.8m) due to interest charges on the loan notes and is in a net assets position of £146.6m (2019 - net assets of £128.5m). The Company will continue to exist for the foreseeable future as an intermediary holding company.

Principal risks and uncertainties

The Company considers its principal risk to be the financial performance of the Group, of which this Company is a member. The Group supports the carrying value of the Company's investments and provides support to this Company to meet its liabilities as they fall due.

The following risks and uncertainties may affect the Group's operating results and financial position.

- **COVID-19 risk** - The COVID-19 pandemic has developed rapidly in 2020 and into 2021. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the group's results in the reporting period and up to the current day.

The currently known impacts of COVID-19 on the business are:

- **Customer sentiment** – customers have been less willing to or unable to confirm travel plans because of uncertainty over travel restrictions.
- **Cancellations** – severe travel restrictions to control the spread of the virus have prevented many customers from fulfilling travel plans, resulting in cancellations or re-bookings.
- **Merchant service provider availability** – across the industry, providers have begun to look at either requesting increased amounts of security or/and increasing fees. As a result, the business is reviewing its merchant service acquirer services.

Other risks to trading and recovery are under close review and include:

- **Travel Counsellor retention** – Travel Counsellors as independent business owners may be unable to continue in operation for an extended time with no or limited earnings and may seek other forms of income.
- **Travel Counsellor recruitment** – The demand from potential Travel Counsellors to join the platform may reduce, particularly amongst those considering a move into the travel industry.
- **Supplier failure** – failure of some suppliers is likely, reducing options available for Travel Counsellors to meet customer needs. Other suppliers may look to negotiate less favourable terms, or seek forms of security due to the increased risk profile of the industry and access to insurance.

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Strategic Report (continued) For the Year Ended 31 October 2020

Principal risks and uncertainties (continued)

These impacts are mitigated by the Group's strong liquidity position ahead of the crisis, including that provided by the Group's ring-fenced trust accounts of consumer funds, the Group's flexible low fixed cost and asset light business model; and the flexible structure of the Group's banking facilities.

In particular, the Group has a long standing history of protecting customer and suppliers monies via its ring-fenced trust accounts and is not reliant on customer money to fund working capital. The Group is therefore well positioned to manage the process of cancellations and customer refunds without a material impact on working capital.

In response to the impacts and risks, the business has taken the following actions:

- we have significantly reduced the cost run-rate of the business by reducing headcount and restructuring the business;
- we have exited the Australia market where long-term financial viability was uncertain;
- we have drawn-down on the Revolving Credit Facility from our lenders;
- we have received a capital injection of £18.5m from our shareholders;
- we have obtained from our lenders a covenant waiver and amendment on our debt facilities through to a period significantly beyond the going concern period of the financial statements; and
- we have commenced negotiations with merchant service providers.

These significant measures have been quantified and used in various trading scenarios for the purposes of the Group's finance planning.

Key performance indicators

The only key performance indicator for this business is the trading performance and continued profitability of the Group. The Cannes Topco Limited financial statements should be reviewed for more detail regarding the underlying trade of the Group.

Future developments

The core strategic aims of the Group (of which The Company is a member) – attracting more Travel Counsellors to our platform, supporting them in growing their businesses and in delivering a superior personal service to customers – are proven to deliver revenue and profit growth. These remain unchanged. Notwithstanding the uncertain long-term impacts on travel behaviour as a result of COVID-19, the Group is well positioned strategically to address the underlying long-term trends in the leisure and business travel sectors and the wider economy. The forward earnings visibility afforded by the lead time from booking to departure, strong potential for further growth in Travel Counsellor franchisee numbers and the reliable track record of new Travel Counsellors developing their businesses provides a good degree of confidence in long term growth prospects.

We strongly believe that our customers are eager to get back to travelling and enjoying holidaying again, which has led to significant pent-up demand for holidays. The business and our Travel Counsellors have used this pandemic to strengthen their position within the industry, and potential customers are now more than willing to depend on trusted travel advice during these uncertain times.

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Strategic Report (continued) For the Year Ended 31 October 2020

Future developments (continued)

Core customers and clients are relatively premium, make complex trips and value convenience and travel outcomes above price. Travel Counsellor franchisees have the freedom to run their business in the way that best suits their own talents, aspirations and lifestyle. They build long term relationships with customers sourced from their own network or from referrals, and provide those customers with a high touch, personalised service that drives high repeat rates. The Group's asset, labour and marketing-light operating model is highly scalable, and the personal relationships franchisees create with their customers are increasingly enhanced through digital technologies. The business model, over time, will continue to strengthen with investment in the platform by The Group in digital technology and advanced analytics, enabling delivery of more effective tools and support to Travel Counsellor business owners that enhances their productivity and augments the close relationships they foster with their customers and clients.

Directors' statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under Section 172 (1) of the Companies Act 2006, to act in the 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 (amongst other matters) to:

- The likely consequence of decisions in the long-term
- The interest of the Group's employees
- The need to foster the Group's business relationships with suppliers, customers and others
- The impact of the Group's operations on the community and the environment
- The desirability of the Group maintaining a reputation for high standards of business conduct

In discharging their s.172 (1) duties the Directors have had regard to the factors set out above, as well as other factors relevant to the decisions being made. By keeping true to our brand promise of 'with us, it's personal', the Board aims to ensure that the decisions made are consistent and intended to promote the Group's long-term success.

The consequences of decisions in the long term

The Group operates in an industry that is very dynamic and fast-moving and the Board appreciates the need to remain agile in order to respond to opportunities or emerging issues as they present themselves. The Directors fulfil their duties through a governance framework that delegates day-to-day decision-making to management of the Group, which reflects the highly regulated environment in which the Group operates. Nevertheless, the Board is mindful that many decisions will have a long-term impact, and that a number of its contractual commitments will remain with the Group for many years to come. The Board is able to also draw on the wealth of experience and awareness of senior employees within the Group, who have many years of experience and truly understand the impact of decisions in the longer term, to assist in high quality and consistent outcomes.

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Strategic Report (continued) For the Year Ended 31 October 2020

Directors' statement of compliance with duty to promote the success of the Company (continued)

High standards of business conduct

The Board recognises the importance of corporate governance and believes that modern slavery and human trafficking are significant global issues presenting a challenge for businesses worldwide and has committed to continually reviewing its practices to combat slavery and human trafficking. The Board has a zero-tolerance approach to modern slavery and is committed to ensuring that its group companies act ethically and with integrity in their business dealings. Further details on the Group's Modern Slavery Statement can be found on the Group's website: <http://mediaserver.travelcounsellors.co.uk/HOC/MSAStatementFY18-19.pdf> The Group manages its tax affairs responsibly and seeks to build constructive relationships with all tax authorities across the various countries in which it operates and does so by engaging with local tax experts in each area, to ensure compliance and accuracy of reporting.

The Board expects all of its colleagues to observe the high standards contained within the Group's policies in relation to bribery and corruption, data protection, equality, diversity and inclusion, IT security, fraud and whistleblowing, each of which is reinforced through appropriate training.

Acting fairly between members of the Company

The Board recognises its legal and regulatory duties and does not take decisions or actions, such as selectively disclosing confidential or inside information that would provide any shareholder with an unfair advantage. The Board is fairly represented by members of all the different class of shareholders.

Our key stakeholders and how we engage with them

The Directors consider the Group's key stakeholders to be its employees, its customers, its suppliers and its shareholders.

Stakeholder Group	Stakeholder key interests	How we engage
<i>Employees</i>		
The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company.	Our employees are interested in: <ul style="list-style-type: none">• Training and development• Career progression• Reward and recognition• Engagement• Health and safety• Respect	<ul style="list-style-type: none">• Regular internal communications• Training and feedback• Identifying and progressing talented individuals• Briefings and events• Colleague conference

Cannes Midco Ltd

Strategic Report (continued) For the Year Ended 31 October 2020

Directors' statement of compliance with duty to promote the success of the Company (continued)

Stakeholder Group	Stakeholder key interest	How we engage
<i>Customers</i>		
We put our customers first and always aim to do the right thing. We focus on building trust and loyalty with our customers by getting to know them personally. This forms a strong relationship that last long after the booking. The Group places considerable value on its interaction with the Travel Counsellors, as they are the core of what makes the Group 'tick'.	<ul style="list-style-type: none"> • Efficient booking process • Transparent pricing • Helpdesk support • New and exciting packages and destinations • Clear and timely communication 	<ul style="list-style-type: none"> • Mobile / app technology • Regular communications • Training and feedback • Briefings and events • Annual conferences • Dedicated Travel Counsellors TV • Social media
<i>Suppliers & partners</i>		
Our suppliers are the key to having high quality products available for our customers, and we have developed very close relationships over many years of relationship building.	<ul style="list-style-type: none"> • Long-term relationships • Growth • Profitability of trade relationship • Responsible procurement and trust 	<ul style="list-style-type: none"> • Regular calls with key suppliers • Regular updates with key account managers • Shared issue resolution approach • Sharing key data to allow a smooth flow of business activity • Regular commercial conversations to support a profitable trade relationship
<i>Shareholders</i>		
The confidence of our shareholders is key to delivering our strategy, as access to capital may be required for the long-term performance of our business. Our ultimate shareholders, through our parent company, are in regular communication with the Board.	<ul style="list-style-type: none"> • Financial performance • Governance and transparency • Operating and financial information • Confidence and trust in the Group's leadership team 	<ul style="list-style-type: none"> • Monthly management reporting • Investor board meetings • Direct access to members of the Executive committee • Annual Report

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Strategic Report (continued) For the Year Ended 31 October 2020

Directors' statement of compliance with duty to promote the success of the Company (continued)

Stakeholder Group	Stakeholder key interests	How we engage
<i>Regulators</i>		
<p>The Civil Aviation Authority (CAA) oversees the Air Travel Organisers' Licensing (ATOL) scheme which protects customers in the event of a travel company failure. We comply with the ATOL regulations and engage with the CAA to maintain a constructive and trusted relationship.</p> <p>There are other aspects of our business that have oversight by regulators, for example, the ICO (Information Commissioner's Office) regulates compliance with privacy laws and there are also various consumer rights regulated by bodies such as the Competition Markets Authority and the Advertising Standards Authority.</p>	<ul style="list-style-type: none"> • Our regulators expect us to meet relevant legal requirements and to treat our customers, employees and other stakeholders in a fair way. • Responding in a timely and constructive manner. • Open dialogue and collaborative approach 	<ul style="list-style-type: none"> • We engage with some regulators, such as the CAA on a more regular basis. We engage through reporting, audits and direct consultation. • Engagement has increased in frequency during the COVID-19 pandemic. • We also engage with the CAA and the wider travel community at industry meetings.

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Strategic Report (continued) For the Year Ended 31 October 2020

Directors' statement of compliance with duty to promote the success of the Company (continued)

Stakeholder Group	Stakeholder key interests	How we engage
<i>Communities and society</i>		
<p>We are a business that puts people at its heart and that includes how we support our people, customers and our wider communities, both in which we live and send our customers to every day. As a fast-growing travel business, it's our duty to make sure we operate in a responsible way and ensure our only impact is a positive one.</p>	<ul style="list-style-type: none">• Ethical businesses managed responsibly• Building partnerships that support and create positive impact and outcomes for society• Environmental impact• Source of future employment and opportunities	<p>Our approach to sustainability is to educate our people and customers around the importance of responsible travel, introducing more sustainable practices across the business, and identifying and signposting sustainable products and ancillaries to customers. This includes partnering with the Travel Foundation to support the charity's worldwide research and destination projects, which aim to measure and manage the impacts of tourism, working with us to roll out bespoke training programmes for our internal network and advising on the most impactful approaches to ensuring our people and customers have the insight and ability to make sustainable choices.</p>

This report was approved by the board on

23rd July 2021

and signed on its behalf.



S Byrne
Director

Cannes Midco Ltd

Directors' Report For the Year Ended 31 October 2020

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

Results and dividends

The loss for the year, after taxation, amounted to £1,620,000 (2019 - loss £1,821,000).

The directors do not recommend the payment of a dividend (2019 - £Nil).

Directors

The directors who served during the year and up to the date of signing of the financial statements were:

S Byrne
S Shaw (resigned 31 December 2019)
E Crosier (appointed 2 September 2020).

Going concern

The directors have prepared the financial statements on the going concern basis having concluded that the Company has access to adequate resources to continue in operational existence for the foreseeable future. The Company is part of the Cannes Topco Group (the 'Group') and in forming their conclusion on going concern, the directors have taken into account the Group's and Company's current levels of liquidity (including that provided by the Group's ring-fenced trust accounts for consumer funds), the flexible structure of the Group's banking facilities (particularly with regards to potential relief in respect of covenant tests), support of the principal shareholders, and financial modelling based on several factors, assumptions and estimates reflecting the information currently available to the directors. In particular, the Group has a long-standing history of protecting customer and supplier monies via its ring-fenced trust accounts and is not reliant on customer money to fund its working capital.

As discussed in note 2.4 of the financial statements, the COVID-19 crisis represents a material uncertainty for the global travel industry with no historic data to support a recovery timeline for financial planning purposes. At its most severe and long-term, the disruption caused by the unprecedented COVID-19 pandemic could hinder the Group and in turn the Company's ability to generate cash and stay within the financial covenants within the banking facility agreement and within the covenants set by the CAA. Therefore as a result of the material uncertainty at the Group, this in turn creates a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Political contributions

The Company made no political donations during the current or prior financial year.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and cash flow risk.

- Cash flow risk: the Company's cash flow risk is managed via fixed rate payments of interest and capital on the loans held.
- Credit risk: the Company's principal financial asset is the investment in its subsidiary, Cannes Midco II Limited.
- Liquidity risk: the Company manages its liquidity by intra Group funding arrangements. As noted in the Going Concern accounting policy in note 2.4 in the financial statements, the directors have obtained a support letter from its ultimate parent company to ensure they can meet their financial obligations as they fall due.

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Directors' Report (continued) For the Year Ended 31 October 2020

Engagement with employees and disabled employees

The Group, of which the Company is a member, places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through regular internal communications which are made to all employees to ensure that they are kept well informed of the performance of the Group. The Group seeks to work with each individual employee, enabling them to reach and maximise their potential in the context of their own personal circumstances.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with suppliers, customers and others

Please refer to the s172 statement in the Strategic Report for details on how the Directors engage with suppliers, customers and other key stakeholders.

Qualifying third party indemnity provisions

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has taken the exemption available to subsidiary companies not to disclose information in respect of greenhouse gas emissions, energy consumption and energy efficiency action given this is disclosed in the consolidated financial statements of the ultimate parent company, Cannes Topco Limited.

Matters covered in the Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Directors consider them to be of strategic importance to the Company.

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'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's auditor is aware of that information.

Events after the reporting period

There were no important events affecting the Company which have occurred since the end of the year.

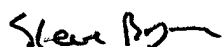
Cannes Midco Ltd

Directors' Report (continued) For the Year Ended 31 October 2020

Auditor

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

This report was approved by the board on 23rd July 2021 and signed on its behalf.



S Byrne
Director

Cannes Midco Ltd

Directors' Responsibilities Statement For the Year Ended 31 October 2020

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 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 to 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.

Cannes Midco Ltd

Independent Auditor's Report to the shareholders of Cannes Midco Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cannes Midco Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 October 2020 and of its loss 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 Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 15.

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, 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.

Material uncertainty relating to going concern

We draw attention to note 2.4 of the financial statements which indicates that the disruption caused by the unprecedented COVID 19 pandemic could hinder the Group and therefore in turn the Company's ability to generate sufficient cash and stay within the financial covenants within the banking facility agreement and within the covenants set by the Civil Aviation Authority.

As stated in note 2.4, these events or conditions along with the other matters as set forth in note 2.4, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Cannes Midco Ltd

Independent Auditor's Report to the shareholders of Cannes Midco Ltd (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 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.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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.

Cannes Midco Ltd

Independent Auditor's Report to the shareholders of Cannes Midco Ltd (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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
Manchester, United Kingdom

26 July 2021

Cannes Midco Ltd

Statement of Comprehensive Income For the Year Ended 31 October 2020

	Note	2020 £000	2019 £000
Administrative expenses		(17)	(8)
Operating loss	4	<u>(17)</u>	<u>(8)</u>
Interest payable and similar expenses	5	(1,767)	(1,883)
Loss before tax		<u>(1,784)</u>	<u>(1,891)</u>
Tax on loss	6	164	70
Loss for the financial year		<u><u>(1,620)</u></u>	<u><u>(1,821)</u></u>

All income and expenses shown above arose from continuing operations.

There was no other comprehensive income for 2020 (2019 - £Nil).


The notes on pages 18 to 32 form part of these financial statements.

Cannes Midco Ltd
Registered number:11352283

Statement of Financial Position
As at 31 October 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Investments	7		131,112		131,112
Current assets					
Debtors: amounts falling due within one year	8	42,822		24,397	
Creditors: amounts falling due within one year	9	(26,125)		(7,848)	
Net current assets			16,697		16,549
Total assets less current liabilities			147,809		147,661
Creditors: amounts falling due after more than one year	10		(1,236)		(19,143)
Net assets			146,573		128,518
Capital and reserves					
Called up share capital	13		150,787		131,112
Profit and loss account	13		(4,214)		(2,594)
Total equity			146,573		128,518

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23rd July 2021



S Byrne
Director

The notes on pages 18 to 32 form part of these financial statements.

Cannes Midco Ltd

Statement of Changes in Equity For the Year Ended 31 October 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 November 2018	131,112	(773)	130,339
Comprehensive loss for the year			
Loss for the year	-	(1,821)	(1,821)
Total comprehensive loss for the year	-	(1,821)	(1,821)
At 1 November 2019	131,112	(2,594)	128,518
Comprehensive loss for the year			
Loss for the year	-	(1,620)	(1,620)
Total comprehensive loss for the year	-	(1,620)	(1,620)
Contributions by and distributions to owners			
Shares issued during the year	19,675	-	19,675
Total transactions with owners	19,675	-	19,675
At 31 October 2020	150,787	(4,214)	146,573

The notes on pages 18 to 32 form part of these financial statements.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

1. General information

Cannes Midco Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company was incorporated to accommodate the new group structure following the takeover of the trading group by Vitruvian.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on the Company Information page. The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The amounts presented are rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 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 and 18A 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied on the basis that equivalent disclosures are included in the consolidated financial statements of Cannes Topco Limited. These financial statements do not include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures

The consolidated financial statements of Cannes Topco Limited are publicly available and may be obtained from its registered office at Venus No.1 Old Park Lane, Trafford City, Manchester, England, M41 7HA.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

The COVID-19 pandemic has developed rapidly in 2020 and into 2021. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the Cannes Group of Companies, of which the Company is a member, results in the reporting period and up to the current day.

The current known impacts of COVID-19 on the business are:

- **Consumer sentiment** - customers have been less willing to or unable to confirm travel plans because of uncertainty over travel restrictions
- **Cancellations** - severe travel restrictions to control the spread of the disease have prevented many customers from fulfilling travel plans, resulting in cancellations or rebooks
- **Merchant service provider availability** - across the industry, providers have begun to look at either requesting increased amounts of security or/and increasing fees. As a result, the business is reviewing its merchant service acquirer services.

Other risks to trading and recovery are under close review and include:

- **Travel Counsellor retention** - Travel Counsellors as independent business owners may be unable to continue in operation for an extended time with no or limited earnings and may seek other forms of income
- **Travel Counsellor recruitment** - The demand from potential Travel Counsellors to join the platform may reduce, particularly amongst those considering a move into the travel industry
- **Supplier failure** - failure of some suppliers is likely, reducing options available for Travel Counsellors to meet customer needs. Other suppliers may look to negotiate less favourable terms, or seek forms of security due to the increased risk profile of the industry and access to insurance

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.4 Going concern (continued)

These impacts are mitigated by the Group's strong liquidity position ahead of the crisis, including that provided by the Group's ringfenced trust accounts of consumer funds, the Group's flexible low fixed cost and asset light business model; and the flexible structure of the Group's banking facilities.

In particular, the Group has a long-standing history of protecting customer and suppliers monies via its ring-fenced trust accounts and is not reliant on customer money to fund working capital. The Group is therefore well positioned to manage the process of cancellations and customer refunds without a material impact on working capital.

In response to the impacts and risks, the business has taken the following actions:

- we have obtained from our lenders a covenant waiver and amendment on our debt facilities for a period of at least 12 months from the date of signing of the financial statements;
- we have significantly reduced the cost run-rate of the business by reducing headcount and restructuring the business;
- we have exited the Australian market where long-term financial viability was uncertain;
- we have drawn-down on the Revolving Credit Facility from our lenders;
- we have received a capital injection of £18.5m from our shareholders; and
- we have commenced negotiations with merchant service providers.

These significant measures have been quantified and used in various trading scenarios for the purposes of the Group's finance planning.

However, if travel restrictions remain in place through to Summer and customers are unable to travel internationally then it will be necessary to raise additional capital from investors or financing from lenders. We have started those discussions and we expect that this capital will be available if required.

The COVID-19 crisis represents a material uncertainty for the global travel industry and the disruption caused could hinder the Group and therefore the Company's ability to generate cash and stay within the financial covenants within the banking facility agreement and within the covenants set by the CAA. As a result, management note a material uncertainty on the Group's ability to continue as a going concern. Therefore as a result of the material uncertainty at the Group, this in turn creates a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.5 Impact of new international reporting standards, amendments and interpretations

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IAS 1 and IAS 8 Definition of material

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less, where appropriate, provisions for impairment. Impairment is assessed annually using a discounted cash flow model.

2.10 Debtors

Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each year end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

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

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, 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 that the amounts recognised in the financial statements have been significantly affected by any critical judgements made in the process of applying the Company's accounting policies.

Going concern

For the assumptions made in the Going Concern assessment see the detail contained within note 2.4.

Key sources of estimation uncertainty

Impairment of investments

Determining whether assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of investments at the year-end date was £131.1m (2019 - £131.1m). The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, expected changes to selling prices and direct costs, expected level of capital expenditure in the period and an estimation of when domestic and international travel will resume following the global pandemic. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU.

The Company prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows in perpetuity based on an estimated growth rate of 2 per cent. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows is 13.3 per cent and an assumption was made that international travel will resume in September 2021.

No impairment has been identified following the value in use calculation.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

4. Operating loss

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £8,500 (2019 - £8,250).

There were no non-audit fees payable to Deloitte LLP (2019 - £Nil).

There were no employees and therefore no staff costs (2019: £nil). The directors received no remuneration from the Company (2019: £nil). No qualifying services are provided to this entity by the directors. As such no employee or directors' information is included within the notes to the financial statements.

5. Interest payable and similar expenses

	2020 £000	2019 £000
Interest payable on loan notes	1,767	1,883

6. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on loss for the year	-	(22)
Adjustments in respect of previous periods	(74)	(48)
Total current tax	(74)	(70)
Deferred tax		
Origination and reversal of timing differences	(90)	-
Total deferred tax	(90)	-
Taxation on loss	(164)	(70)

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

6. Taxation (continued)

Factors affecting tax credit 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 before tax	(1,784)	(1,891)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(339)	(359)
Effects of:		
Expenses not deductible for tax purposes	228	337
Adjustments to tax charge in respect of prior periods	(74)	(48)
Amounts not recognised	21	-
Total tax credit for the year	(164)	(70)

Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced in the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at 31 October 2020 has been calculated based on the rate as at the year end date.

7. Fixed asset investments

	Investments in subsidiary companies £000
Cost and net book value	
At 1 November 2019	131,112
At 31 October 2020	131,112

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Cannes Midco II Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Holding company	100%
Cannes Bidco Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Holding company	100%
Travel Counsellors Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Travel agent	100%
Travel Counsellors (Ireland) Limited	NSC Campus, Mahon, Cork, Ireland	Travel agent	100%
Travel Counsellors Nederland BV	Emmapark 8, 2595 ET The Hague, Netherlands	Travel agent	100%
Travel Counsellors Proprietary Limited	4/34 Queen Street, Melbourne, Victoria 3000, Australia	Travel agent	100%
Travel Counsellors Proprietary Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Travel agent	48%
TC BEECo Proprietary Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Holding company	52%
Gazania Investments Three Hundred and Seventy-Two (Proprietary) Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Holding company	100%
TC Africa DMC Proprietary Limited	Floor 11, Norton Rose Fulbright House, 8 Riebeek Street, Cape Town 8001, South Africa	Holding company	100%
Travel Counsellors LLC	dnata Travel Centre, Sheikh Zayed Road, Dubai, United Arab Emirates	Travel agent	49%
Travel Counsellors Belgium BVBA	Travel Counsellors Nederland BV, Emmapark 8, 2595 ET The Hague, Netherlands	Travel agent	100%
Travel Counsellors Overseas Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Holding company	100%
Bob Sopol Travel Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Dormant	100%
Travel Counsellors LLC		Dormant	100%
Travel Counsellors S.L.		Dormant	100%
Travel Counsellors (Canada) Limited		Dormant	100%
Travel Counsellors Group Limited	Venus No 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA	Dormant	100%
TC Bidco Limited	Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3R7	Holding company	100%

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

7. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Holding
TC Africa 1 Proprietary Limited	Floor 11, Norton Rose, Fulbright House, 8 Riebeek Street, Cape Town, 8001	Holding company	100%
TC Holdco Proprietary Limited	Floor 11, Norton Rose, Fulbright House, 8 Riebeek Street, Cape Town, 8001	Holding company	100%
Altius Trading 397 Pty Ltd	Floor 11, Norton Rose, Fulbright House, 8 Riebeek Street, Cape Town, 8001	Dormant	100%
TC Holdco 2 Limited	Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3R7	Holding company	100%
TC Holdco 1 Limited	Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3R7	Holding company	100%

All shares held in subsidiary undertakings are Ordinary shares.

Cannes Midco II Limited is the only subsidiary undertaking held directly.

It has been deemed that Travel Counsellors Group Limited have control of Travel Counsellors LLC and its voting rights and therefore whilst the shareholding totals 49% this has been accounted for as a subsidiary undertaking.

It has been deemed that Travel Counsellors Group Limited have control of Travel Counsellors Proprietary Limited and its voting rights and therefore whilst the shareholding totals 48% this has been accounted for as a subsidiary undertaking.

8. Debtors

	2020 £000	2019 £000
Amounts owed by subsidiary undertakings	42,732	24,397
Deferred taxation	90	-
	<u>42,822</u>	<u>24,397</u>

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and attract no interest.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

9. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to parent undertakings	26,117	7,848
Accruals and deferred income	8	-
	<u>26,125</u>	<u>7,848</u>

Amounts owed to parent undertakings are unsecured, repayable on demand and attract no interest.

10. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Loan notes (note 11)	<u>1,236</u>	<u>19,143</u>

11. Loans

Analysis of the maturity of loans is given below:

	2020 £000	2019 £000
Amounts falling due after more than 5 years		
Loan notes	<u>1,236</u>	<u>19,143</u>

On 2 September 2020, the principal amount of £15,520k together with accrued interest of £4,155k due to Cannes Topco Limited pursuant to the loan notes was satisfied in full by the issue of shares in the capital of Cannes Midco Limited.

The remaining loan notes are £939k issued to management and £28k issued to a service provider as part of the acquisition of TC Holdco 1 Limited. Interest is accrued and compounded monthly at 11%. As at 31 October 2020, £269k of interest has been compounded and included within the loan notes balance above (2019 - £2,656k). The loan notes are repayable on 31 May 2028.

The loans are secured against the assets of the Company's subsidiary group of companies.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

12. Deferred taxation

	2020 £000
At beginning of year	-
Credited to profit or loss	90
At end of year	90

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Tax losses carried forward	90	-

13. Share capital and reserves

	2020 £000	2019 £000
Allotted, called up and fully paid		
150,787,441 (2019 - 131,112,437) Ordinary shares of £1.00 each	150,787	131,112

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

On 2 September 2020, the Company issued 19,675,003 Ordinary £1 shares at par value.

Profit and loss account

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

14. Related party transactions

The Company has taken advantage of the exemption allowed by FRS 101:8k, not to disclose any transactions with wholly owned subsidiaries that are included in the consolidated financial statements of Cannes Topco Limited. The group financial statements of Cannes Topco Limited are available from the registered offices at Venus No. 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA.

Cannes Midco Ltd

Notes to the Financial Statements For the Year Ended 31 October 2020

15. Controlling party

Cannes Topco Limited is the immediate and ultimate parent company.

The smallest and largest group in which the results of the Company are consolidated is that headed by Cannes Topco Limited, which is incorporated in the UK.

The ultimate controlling party is Vitruvian Partners LLP, which manages various funds, holding 82.8% of the issued equity share capital of Cannes Topco Limited.

The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group financial statements of Cannes Topco Limited. The group financial statements of Cannes Topco Limited are available from the registered offices at Venus No. 1 Old Park Lane, Trafford City, Manchester, England, M41 7HA.