

TLLC HOLDINGS2 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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TLLC HOLDINGS2 LIMITED

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TLLC HOLDINGS2 LIMITED

COMPANY INFORMATION

DIRECTORS

Craig Bonnar
Joanna Boydell

COMPANY SECRETARY

Joanna Boydell
Katherine Thomas

REGISTERED OFFICE

Sleepy Hollow
Aylesbury Road
Thame
Oxfordshire
OX9 3AT

BANKERS

Barclays PLC
1 Churchill Place
London
E14 5HP

SOLICITORS

Addleshaw Goddard
Milton Gate
60 Chiswell Street
London
EC1Y 4AG

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

TLLC HOLDINGS2 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Strategic Report of TLLC Holdings2 Limited ("the company") for the year ended 31 December 2021.

Position, Developments, Performance, and Business Review

There were no developments during the year. The company continued to be a holding company within the consolidated group of Thame and London Limited ("the Group") and as such it is not considered that there are any company specific key performance indicators. The results of the company are set out in the directors' report and included within the consolidated financial statements of Thame and London Limited. The key performance indicators are managed at a group level and are disclosed in the Group financial statements which are publicly available.

Principal risks and uncertainties

The principal risks and uncertainties to which the company is exposed are as follows:

Interest rate risk: The company borrows at fixed rates. The company manages its interest risk through a periodic review of interest rates. The interest rates are reviewed against the forward interest rates curve.

Approved by the Board of Directors and signed by order of the Board



Joanna Boydell
Company Secretary

22 April 2022

TLLC HOLDINGS2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Annual Report and the audited financial statements of the company for the year ended 31 December 2021.

Principal activities

The company is principally engaged as the holding company within the Thame and London Limited consolidated group of companies ("the Group").

Results and dividends

The company made an operating result for the year ended 31 December 2021 of £nil (2020: £nil), and after taking account of interest payable, a loss for the financial year of £26.6m (2020: loss of £26.6m).

The Directors do not recommend the payment of a dividend (2020: £nil).

Future Prospects

The Directors expect the general level of activity to remain at 2021 levels.

Principal risks and uncertainties

The principal risks and uncertainties to which the company is exposed are set out in the strategic report.

Directors

The Directors, who served throughout the year and up to the date of signing the financial statements, were as follows:

Craig Bonnar
Joanna Boydell

Directors' Indemnity Insurance

The Group maintains qualifying third party indemnity insurance in respect of Directors and Officers against any such liabilities as referred to in Section 234 of the Companies Act 2006. This insurance was in force during the financial year and also at the date of approval of the financial statements.

Going Concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate controlling parent company Thame and London Limited. The Directors have received confirmation that Thame and London Limited intends to support the company for at least one year after these financial statements are signed.

In assessing the appropriateness of the going concern assumption, the Board considered the possible cash requirements of the Group to the end of 2023, taking into account the impact of the pandemic, current economic and political pressures, the range of trading outcomes and mitigating actions which could be taken. A base case scenario and two severe but plausible scenarios have been modelled, none of which result in liquidity issues for the Group. Based on these scenarios and taking into account any reasonably possible changes in trading performance, the directors believe that it remains appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Further disclosure can be found in Note 2.1 of the Thame and London Limited financial statements.

Approved by the Board of Directors and signed by order of the Board



Joanna Boydell
Company Secretary

22 April 2022

TLLC HOLDINGS2 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

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

On behalf of the Board



Joanna Boydell
Director

22 April 2022

Independent auditors' report to the members of TLLC Holdings2 Limited

Report on the audit of the financial statements

Opinion

In our opinion, TLLC Holdings2 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material

Independent auditors' report to the members of TLLC Holdings² Limited

Report on the audit of the financial statements (continued)

misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate reported results. Audit procedures performed by the engagement team included:

- Evaluating management's controls designed to prevent and detect irregularities
- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations

Independent auditors' report to the members of TLLC Holdings² Limited

Report on the audit of the financial statements (continued)

- Review of Board meeting and other minutes to identify any instances of non-compliance with laws and regulations
- Testing unusual or unexpected journal entries.

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

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 April 2022

TLLC HOLDINGS2 LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £m	2020 £m
OPERATING RESULT	3	-	-
Interest payable and similar expenses	4	(26.6)	(26.6)
LOSS BEFORE TAXATION		(26.6)	(26.6)
Tax on loss	5	-	-
LOSS FOR THE FINANCIAL YEAR	9	(26.6)	(26.6)
Accumulated losses at 1 January	9	(623.3)	(596.7)
ACCUMULATED LOSSES AT 31 DECEMBER	9	(649.9)	(623.3)

There were no recognised gains or losses for the years other than as shown above. There is no material difference between the loss before taxation and the loss for the current and prior financial years stated above and their historical cost equivalents.

All results are derived from continuing operations.

TLLC HOLDINGS2 LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021 £m	2020 £m
FIXED ASSETS			
Investments	6	4.9	4.9
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(654.8)	(628.2)
NET CURRENT LIABILITIES		<u>(654.8)</u>	<u>(628.2)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(649.9)</u>	<u>(623.3)</u>
NET LIABILITIES		<u>(649.9)</u>	<u>(623.3)</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Accumulated losses	9	<u>(649.9)</u>	<u>(623.3)</u>
TOTAL SHAREHOLDERS' DEFICIT	10	<u>(649.9)</u>	<u>(623.3)</u>

These financial statements on pages 10 to 14 were approved by the Board of Directors and signed on their behalf by:



Joanna Boydell
Director

22 April 2022

TLLC Holdings2 Limited

Company registration number 04588957

TLLC HOLDINGS2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

TLLC Holdings2 Limited is a private company limited by share capital incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on page 1. The principal place of business is Sleepy Hollow, Aylesbury Road, Thame OX9 3AT. The company is a holding company within the Group.

1.1 Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) with certain exemptions of the reduced disclosure framework applied as detailed below. Sections 11 and 12 of FRS 102 have been applied in respect of the recognition and measurement of financial instruments.

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 applicable to the company reporting at 31 December 2021.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies.

The principal accounting policies are set out below and have been applied consistently throughout the year.

1.2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results in the future could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In this regard, the Directors believe that there are no critical accounting policies where judgements or estimations are necessarily applied.

1.3 Group financial statements

The company is a wholly-owned subsidiary of Thame and London Limited, which is domiciled in the UK. The consolidated financial statements of Thame and London Limited are publicly available. Therefore, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

1.4 Cash flow statement

Under FRS 102 (section 1), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent company (Thame and London Limited) includes the company's cash flows in its own published consolidated financial statements.

1.5 Investments

Fixed asset investments are shown at cost less provision for impairment.

TLLC HOLDINGS2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.6 Taxation

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

1.7 Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate controlling parent company Thame and London Limited. The Directors have received confirmation that Thame and London Limited intends to support the company for at least one year after these financial statements are signed.

In assessing the appropriateness of the going concern assumption, the Board considered the possible cash requirements of the Group to the end of 2023, taking into account the impact of the pandemic, current economic and political pressures, the range of trading outcomes and mitigating actions which could be taken. A base case scenario and two severe but plausible scenarios have been modelled, none of which result in liquidity issues for the Group. Based on these scenarios and taking into account any reasonably possible changes in trading performance, the directors believe that it remains appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Further disclosure can be found in Note 2.1 of the Thame and London Limited financial statements.

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Information regarding Directors' emoluments is disclosed in the financial statements of Thame and London Limited, the intermediate parent company. Directors of the company received no remuneration for services provided to this company in the current or preceding year. There were no employees in the current or preceding year.

3 OPERATING RESULT

The audit fee of £3,000 (2020: £3,000) is borne by a fellow Group company.

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £m	2020 £m
Interest payable to Group undertakings	26.6	26.6
Interest payable	26.6	26.6

TLLC HOLDINGS2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5 TAX ON LOSS

	2021 £m	2020 £m
Current Tax:		
UK corporation tax on loss for the year	-	-
Tax charge/ (credit) on loss	-	-

The differences between the total current tax shown and the amount calculated by applying the standard rate of tax for the year of 19% (2020: 19%) to the loss before tax are as follows:

	2021 £m	2020 £m
Loss before taxation	(26.6)	(26.6)
Tax credit at 19% (2020: 19%)	(5.1)	(5.1)
Effects of:		
Losses surrendered to Group companies for nil consideration	5.1	5.1
Total tax charge / (credit) for the year	-	-

No provision for UK corporation tax has been made for the year ended 31 December 2021 (2020: £nil). There is no unprovided deferred tax (2020: £nil).

The main rate of UK corporation tax remained the same, at 19%, throughout 2021. There will be an increase to the main rate of UK corporation tax to 25% on 1 April 2023.

TLLC HOLDINGS2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6 INVESTMENTS

	Ordinary Shares in subsidiaries £m
Cost and net book value	
At 1 January 2021 and 31 December 2021	<u>4.9</u>

Investments held as fixed assets constitute shares in subsidiary undertakings.

The Directors believe that the carrying value of the investments is supported by their underlying net assets. Subsidiaries held at 31 December 2021 are as follows:

Name of subsidiary undertaking	Registered address	Business description	Country of Incorporation	% of equity held
Travelodge Hoteles Espana SL*	Calle Santa Leonor, 34, 28037, Madrid, Spain	Trading company	Spain	100
TLLC 2018 Limited*	Sleepy Hollow, Aylesbury Road, Thame, Oxon, OX9 3AT	Dormant company	Great Britain	100

* Denotes direct investment

The Company is required to test, when there are indicators of impairment, whether an asset as suffered any impairment. Investments are considered for impairment where such indicators exist using fair value estimates. The use of these methods similarly required the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of cash flows.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £m	2020 £m
Amounts owed to Group undertakings	<u>(654.8)</u>	<u>(628.2)</u>

Amounts owed to Group undertakings are unsecured and repayable on demand and bear interest between 0% and 8% (2020: 0% and 10%).

8 CALLED UP SHARE CAPITAL

	2021 & 2020 Number of shares	2021 & 2020 £
Authorised, allotted and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

TLLC HOLDINGS2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9 ACCUMULATED LOSSES

	2021 £m	2020 £m
At 1 January	(623.3)	(596.7)
Loss for the financial year	(26.6)	(26.6)
At 31 December	(649.9)	(623.3)

10 TOTAL SHAREHOLDERS' DEFICIT

	2021 £m	2020 £m
Opening shareholders' deficit	(623.3)	(596.7)
Loss for the financial year	(26.6)	(26.6)
Closing shareholders' deficit	(649.9)	(623.3)

11 RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

The immediate parent company is Full Moon Holdco 7 Limited.

The company has taken advantage of the exemption in FRS 102 (section 33) 'Related party disclosure' not to disclose transactions with other members of the Group.

The Directors regard Anchor Holdings SCA as the ultimate controlling party and regard Thame and London Limited as the controlling party of the largest group of which the company is a member and of which is the only company within the Group where consolidated financial statements are drawn up. Copies of these Group financial statements are available from the registered office of Thame and London Limited at Sleepy Hollow, Aylesbury Road, Thame, Oxon, OX9 3AT.