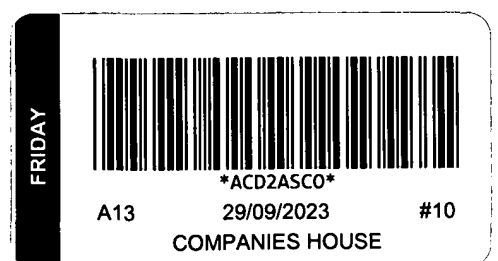


THE ORIGINAL COTTAGE COMPANY LIMITED

Annual Report and Financial Statements

For the period ended 31 October 2022

Company Registration Number 06951692



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Directors, Officers and Advisers

Directors:

S W Holman (resigned 1 November 2022)
M Wickham (resigned 4 May 2023)
J N Willmot (resigned 4 May 2023)
J C McClure (appointed 4 May 2022)
T J A Buss (appointed 4 May 2022)
R M Ellis (resigned 4 May 2022)
J A Ellis (resigned 4 May 2022)
T M Ellis (resigned 4 May 2022)
P J Ballard (resigned 4 May 2022)
D S Cardwell (resigned 4 May 2022)
C D Simpson (resigned 4 May 2022)

Secretary:

J N Willmot (resigned 4 May 2023)

Registered Office:

Bank House
Market Place,
Reepham,
Norwich,
NR10 4JJ

Company registration number:

06951692

Directors' Report

The Directors present their report and the financial statements for the period ended 31 October 2022.

Results and dividends

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The Directors did not recommend the payment of dividends in the period (2021: £nil).

Directors

The Directors who served the Company during the year were as follows:

S W Holman (resigned 1 November 2022)

M Wickham (resigned 4 May 2023)

J N Willmot (resigned 4 May 2023)

J C McClure (appointed 4 May 2022)

T J A Buss (appointed 4 May 2022)

R M Ellis (resigned 4 May 2022)

J A Ellis (resigned 4 May 2022)

T M Ellis (resigned 4 May 2022)

P J Ballard (resigned 4 May 2022)

D S Cardwell (resigned 4 May 2022)

C D Simpson (resigned 4 May 2022)

Political contributions

The Company made no political donations or incurred any political expenditure in the year.

Share capital

Details of the shares in issue are set out in note 21 to the financial statements.

Post Balance Sheet Events

On 1 November 2022 the trade and assets of The Original Cottage Company Limited (acquired by The Travel Chapter Limited on 4 May 2022) were formally hived up into The Travel Chapter Limited. This included the transfer of c. 320 employees, helping to complete the combination of the two businesses.

Going Concern

Following the hive up of all trade and assets of the Company into The Travel Chapter Limited on 1 November 2022 the Directors consider that the Company has the financial resources to operate for the period to 31 October 2023 without material uncertainty. The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' responsibilities statement

The Directors are responsible for preparing the Report of the Directors 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 Reporting Standards and applicable law) including Financial Reporting Standard 102 ("FRS 102").

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 its profit or loss for that period. In preparing these financial statements, the Directors are required to:

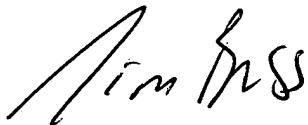
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- state whether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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

ON BEHALF OF THE BOARD



T Buss

Director

Date 28 September 2023

Company registration number: 06951692

Statement of Comprehensive Income

		Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
	Notes		
Turnover	2	24,323	28,023
Cost of sales		(4,755)	(3,923)
Gross profit		19,568	24,100
Administrative expenses	4	(29,092)	(16,710)
Exceptional administrative expenses		(406)	-
Other income	3	-	567
Operating (loss) / profit		(9,930)	7,957
Income from shares in group undertakings		799	1,161
Amounts written off investments		(799)	(1,161)
Interest income	6	56	-
Interest expense	6	(112)	(271)
(Loss) / profit before tax		(9,986)	7,686
Taxation	7	1,739	(2,075)
(Loss) / profit for the financial period / year		<u>(8,247)</u>	<u>5,611</u>

There were no other items of comprehensive income during the periods under review and hence the Company has not presented a separate statement of other comprehensive income.

The notes to these financial statements form an integral part of these financial statements.

Statement of Financial Position

		31 October 2022 £'000	Restated 31 December 2021 £'000
	Notes		
Assets			
Non-current assets			
Goodwill	9	6,099	6,459
Intangible assets	10	9,268	10,012
Tangible fixed assets	11	872	857
Investments in subsidiaries	12	1,928	3
		<u>18,167</u>	<u>17,331</u>
Current assets			
Stock	13	-	37
Trade and other debtors	14	20,982	25,435
Current tax receivable		1,400	-
Cash and cash equivalents	15	10,598	10,514
		<u>32,980</u>	<u>35,986</u>
Current liabilities			
Trade and other creditors	16	(40,532)	(36,528)
Current tax payable		-	(1,097)
		<u>(40,532)</u>	<u>(37,625)</u>
Net current liabilities		<u>(7,552)</u>	<u>(1,639)</u>
Total assets less current liabilities		<u>10,615</u>	<u>15,692</u>
Non-current liabilities			
Borrowings	17	-	(7,858)
Deferred tax liability	20	(2,102)	(2,271)
		<u>(2,102)</u>	<u>(10,129)</u>
Net Assets		<u>8,513</u>	<u>5,563</u>
Equity			
Share capital	21	58	58
Capital contribution reserve	21	300	300
EBT reserve	21, 22	-	(4,680)
Profit and loss account		8,155	9,885
Shareholders' funds		<u>8,513</u>	<u>5,563</u>

The notes to these financial statements form an integral part of these financial statements.

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The Original Cottage Company Limited

The financial statements were approved by the Board of Directors and authorised for their issue on 28 September 2023. and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Tim Buss', written in a cursive style.

Tim Buss

Director

Registered number: 06951692

Statement of Changes in Equity

	Share capital £'000	Capital contribution reserve £'000	SBP reserve £'000	EBT reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2021 (restated)	208	150	-	-	5,201	5,559
Comprehensive income for the year						
Profit for the year (restated)	-	-	-	-	5,611	5,611
Dividends: Equity capital	-	-	-	-	(777)	(777)
Acquisition of shares by EBT	-	-	-	(4,680)	-	(4,680)
Redemption of preference shares	(150)	150	-	-	(150)	(150)
At 31 December 2021 (restated)	58	300	-	(4,680)	9,885	5,563
Comprehensive income for the period						
Loss for the period	-	-	-	-	(8,247)	(8,247)
Disposal of TOCC share by EBT	-	-	-	4,680	(4,680)	-
Share based payments	-	-	11,197	-	-	11,197
Exercise of options	-	-	(11,197)	-	11,197	-
At 31 October 2022	58	300	-	-	8,155	8,513

Notes to the financial statements

1. Principal Accounting Policies

Company information

The Original Cottage Company Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Bank House Market Place, Reepham, Norwich, NR10 4JJ.

Basis of preparation

The financial statements have been prepared in compliance with applicable law and United Kingdom Accounting Standards including FRS 102 (United Kingdom Generally Accepted Accounting Practice).

The principal accounting policies set out below have been consistently applied to all periods presented. The financial statements have been prepared on a going concern basis under the historical cost convention except for, where disclosed in the accounting policies, certain items which are carried at fair value.

The financial statements are presented in Sterling which is the functional currency of the Company and rounded to the nearest £'000.

The preparation of these financial statements requires management to make certain estimates and assumptions. Critical estimates and judgements are detailed in these accounting policies.

Reduced disclosure exemptions:

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments certain paragraphs 11.42 to 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bookmark Midco 1 Limited as at 31 October 2022 and these financial statements may be obtained from Companies House.

Going Concern

Following the hive up of all trade and assets of the Company into The Travel Chapter Limited on 1 November 2022 the Directors consider that the Company has the financial resources to operate for the period to 31 October 2023 without material uncertainty. The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover includes commissions and other income in respect of sales made on an agency basis. Turnover excludes value added tax, and is derived from operations in the United Kingdom.

Where the company acts as a booking agent, turnover is recognised at the point of booking confirmation, when a deposit is received. This is when the risks and rewards relating to the transaction are transferred and the company has no further obligation.

Exceptional costs

Exceptional costs are material items of expense which, because of the nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Share-based payments

The Group provides share-based payment arrangements to certain employees of the Company. Equity settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that will vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Consolidated Statement of Comprehensive Income over the remaining vesting period. The Company has no cash settled arrangements.

Goodwill

Goodwill represents the difference between the fair value of the purchase consideration and the fair value of the company's share of the identifiable net assets of an acquired entity. The fair value of the purchase consideration includes the directors' best estimate as to the value of contingent consideration which is adjusted against the cost of acquisition until settled. Goodwill is amortised over its expected useful life. Goodwill on incorporation of The Original Cottage Company Partnership is amortised over 22.5 years as this reasonably reflects the best estimate of the consumption of the economic resource acquired in the acquisition of TOCCP. Where the company is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding ten years. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to the Statement of Comprehensive Income.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Other intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of three years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Customer relationships

Customer relationships are recognised as intangible assets at the fair value of the consideration paid to acquire them and are carried at historical cost less provisions for amortisation and impairment. The fair value attributable to customer relationships acquired through a business combination is determined by discounting the expected future cash flows to be generated from that asset at the risk adjusted post tax weighted average cost of capital for the Company. The residual values of customer relationships are assumed to be £nil. Customer relationship intangibles are reviewed for impairment if conditions exist that indicate review is required. Amortisation is provided so as to write off the cost of customer relationships over the expected economic lives of the assets, which is considered to be ten years.

Customer lists

Customer lists are recognised as intangible assets at fair value of the consideration paid to acquire them and are carried at historical cost less provisions for amortisation and impairment. The fair value attributable to customer lists acquired through a business combination is determined by discounting the expected future cash flows to be generated from that asset at the risk adjusted post tax weighted average cost of capital for the company. The residual values of customer lists are assumed to be £nil. Customer lists are reviewed for impairment if conditions exist that indicate review is required. Amortisation is provided so as to write off the cost of customer lists over the expected economic lives of the asset in equal instalments over a period of three years.

Trade names

Trade names are recognised as intangible assets at fair value of the consideration paid to acquire them and are carried at historical cost less provisions for amortisation and impairment. The fair value attributable to trade names acquired through a business combination is determined using the royalty relief method by discounting the expected future cash flows (savings by acquiring rather than creating the trade name) at the risk adjusted post tax weighted average cost of capital for the company. The residual values of trade names are assumed to be £nil. Trade names are reviewed for impairment if conditions exist that indicate review is required. Amortisation is provided so as to write off the cost of trade names over the expected economic lives of the asset in equal instalments of 5% per annum.

Research and development expenditure

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. This period is three to ten years. Provision is made for any impairment.

Tangible fixed assets

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

Freehold land is not depreciated on the basis that it is deemed to have an unlimited life. Depreciation on other assets is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful economic life.

The estimated useful lives range as follows:

- Long-term leasehold property – 50 years straight line
- Motor vehicles - 25% Reducing balance
- Fixtures and fittings – 3 to 12 years straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Impairment of non-financial assets

At each reporting date non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits. Bank overdrafts are shown within borrowings in current liabilities.

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

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 Balance Sheet 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.

The Original Cottage Company Limited offers a cancellation protection scheme (CPS) to their homeowners. The scheme provides owners with an assurance that a booking means they will receive their full income even if the guests cancel before the holiday. In many cases a property can be re-let, so the homeowner's income is assured; sometimes, however, it is not, and in these cases the funds from the CPS provision can be used. A provision for the CPS is included at each period end. The appropriate amount to provide is based on the funds remaining in the cancellation protection scheme at period end and the expected future cancellations.

Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Ordinary shares are classified as equity and are recorded at the value of cash or other resources received. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Employee benefit trust

In the prior year the company established a trust for the benefit of employees. Monies held in this trust were held by independent trustees and managed at their discretion.

Where the company retained future economic benefit from, and had de facto control of the assets and liabilities of the trust, they have been accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services was declared and the date that assets of the trust were vested in identified individuals.

Dividends

Dividends proposed or declared after the balance sheet date are not recognised as a liability at the Statement of Financial Position date. Final dividends are recognised once formally approved by the board and interim dividends are recognised once paid.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Income Statement over the period of the leases to produce a periodic rate of interest on the remaining balance of the liability. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

The Original Cottage Company Limited

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution (money purchase) pension scheme for the benefit of its employees. The assets of the scheme are administered in a fund fully independent from the company. The pension costs charged in the year represent the contributions payable by the company in the year.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment if stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is 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.

Deferred 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 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 difference 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgments 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.

Critical Accounting Judgements

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given above. Initial capitalisation of costs is based on management judgement that technical and economic feasibility is confirmed. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Critical Accounting Estimates and Assumption

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Goodwill and intangible assets

The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Intangibles acquired in business combinations

Determining the value of intangibles acquired in business combinations; requires the calculation of estimated future cash flows expected to arise from the intangible assets at a suitable discount rate in order to calculate their present value.

Cancellation provision

The Original Cottage Company Limited offers a cancellation protection scheme (CPS) to their homeowners. The scheme provides owners with an assurance that a booking means they will receive their full income even if the guests cancel before the holiday. In many cases a property can be re-let, so the homeowner's income is assured; sometimes, however, it is not, and in these cases the funds from the CPS provision can be used. A provision for the CPS is included at each period end. The appropriate amount to provide is based on the funds remaining in the cancellation protection scheme at period end and the expected future cancellations.

2. Turnover

The whole of the turnover is attributable to the principal activities of the company, namely by acting as a holiday cottage letting agent.

All turnover arose within the United Kingdom.

3. Other operating income

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Government grants received	-	567
	-	567

Government grants receivable Includes Coronavirus Job Retention Scheme grants receivable from central government to cover some of the costs of employing certain members of staff placed on furlough leave in response to the coronavirus pandemic, alongside other government business support funding.

4. Operating profit

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Operating (loss) / profit is stated after charging other administrative expenses:		
Depreciation of tangible fixed assets	239	268
(Profit) / loss on disposal of assets	(10)	(14)
Amortisation of intangible assets	1,936	2,078
Foreign exchange (gains) / losses	(1)	(8)
Operating lease rentals	641	616
Defined contribution pension cost	443	422
	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Exceptional administrative costs:		
Business acquisition costs	406	-

Business acquisition costs includes transaction fees and other deal related expenses.

5. Directors and employees

The aggregate payroll costs of the employees, including management and the Executive Directors, were as follows:

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Wages and salaries	8,529	9,060
Share based payment expense	11,197	-
Social security	2,499	823
Cost of defined contribution scheme	443	422
	<u>22,668</u>	<u>10,305</u>

Staff costs above include £222k for the period ended 31 October 2022 (Year ended 31 December 2021: £1.1m) employee costs capitalised as part of software development.

Average monthly number of persons employed by the Company during the year was as follows:

	Period ended 31 October 2022	Year ended 31 December 2021
Management	12	13
Staff and administration	433	401
	<u>445</u>	<u>414</u>

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Remuneration of Directors		
Remuneration	607	553
Amounts paid as consultancy fees	14	18
Contributions to defined contribution scheme	24	21
	<u>645</u>	<u>592</u>

During the period 4 directors (year ended 31 December 2021: 4) accrued benefits under a money purchase pension scheme.

The Original Cottage Company Limited

The highest paid director received remuneration of £133,330 (year ended 31 December 2021: £184,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,667 (year ended 31 December 2021: £9,000).

6. Interest income and expense

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Interest income		
Bank interest receivable	56	-
	<u>56</u>	<u>-</u>
Interest expense		
Bank interest payable	105	269
Finance lease interest	7	2
	<u>112</u>	<u>271</u>

7. Taxation

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Current tax:		
Current tax on profits for the period	(1,449)	1,838
	<u>(1,449)</u>	<u>1,838</u>
Deferred tax:		
Origination and reversal of timing differences	(314)	(330)
Adjustments in respect of previous periods	24	-
Effect of tax rate changes on opening balance	-	567
	<u>(290)</u>	<u>237</u>
Total tax on profits on ordinary activities	<u>(1,739)</u>	<u>2,075</u>

Factors affecting the tax charge for the year

The tax assessed for the period is lower than (year ended 31 December 2021: higher than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
(Loss) / profit on ordinary activities before tax	(9,986)	7,686
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (all periods)	(1,897)	1,460
Effects of:		
Expenses not deductible for tax purposes	37	11
Fixed Asset difference	299	37
Other permanent differences	(259)	-
Adjustments to brought forward values	93	-
Adjustments to tax charge in respect of prior periods	(1,449)	-
Adjustments to tax charge in respect of prior periods - deferred tax	24	-
Effect of tax rate change on opening deferred tax balance	(46)	567
Losses carried back	1,459	-
Corporation tax (credit) / charge	(1,739)	2,075

Future tax charges may be affected by the increase in corporation tax rate from 19% to 25% with effect from 1 April 2023. This has already been reflected in the deferred tax liability.

8. Dividends

	Period ended 31 October 2022 £'000	Year ended 31 December 2021 £'000
Redeemable preference		
Dividend paid: £nil (31 December 2021: £0.01) per share	-	1
Ordinary		
Interim paid: £nil (31 December 2021: £13.67) per share	-	600
Ordinary B		
Interim paid: £nil (31 December 2021: £46,000) per share	-	46
Ordinary C		
Interim paid: £nil (31 December 2021: £112.46) per share	-	65
Ordinary D		
Interim paid: £nil (31 December 2021: £65,000) per share	-	65
	-	777

9. Goodwill

	Total £000
Cost	
At 1 January 2021	10,597
Additions	240
At 31 December 2021	10,837
Additions	122
At 31 October 2022	10,959
Amortisation	
At 1 January 2021	3,820
Charge for the year	558
At 31 December 2021	4,378
Charge for the period	482
At 31 October 2022	4,860
Net book value	
At 31 October 2022	6,099
At 31 December 2021	6,459
At 1 January 2021	6,777

10. Intangible assets

	Brand name & customer lists £'000	Development £'000	Customer relationships £'000	Software £'000	Total £'000
Cost					
At 1 January 2021	606	622	15,487	89	16,804
Additions	-	340	960	-	1,300
At 31 December 2021	606	962	16,447	89	18,104
Additions	-	222	488	-	710
At 31 October 2022	606	1,184	16,935	89	18,814
Amortisation					
At 1 January 2021	294	228	5,977	73	6,572
Charge for the year	23	72	1,419	6	1,520
At 31 December 2021	317	300	7,396	79	8,092
Charge for the period	20	182	1,250	2	1,454
At 31 October 2022	337	482	8,646	81	9,546
Net book value					
At 31 October 2022	269	702	8,289	8	9,268
At 31 December 2021	289	662	9,051	10	10,012
At 1 January 2021	312	394	9,510	16	10,232

Amortisation is recognised within administrative expenses in the income statement.

11. Tangible fixed assets

	Leasehold property improvements £'000	Motor vehicles £'000	Fixtures & fittings £'000	Total £'000
Cost				
At 1 January 2021	899	511	1,193	2,603
Additions	70	18	137	225
Disposals	(30)	(107)	(7)	(144)
At 31 December 2021	939	422	1,323	2,684
Additions	65	79	122	266
Disposals	-	(69)	-	(69)
At 31 October 2022	1,004	432	1,445	2,881
Depreciation				
At 1 January 2021	357	346	983	1,686
Charge for the year on owned assets	94	36	127	257
Charge for the year on leased assets	-	11	-	11
Disposals	(30)	(90)	(7)	(127)
At 31 December 2021	421	303	1,103	1,827
Charge for the year on owned assets	86	26	117	229
Charge for the year on leased assets	-	10	-	10
Disposals	-	(57)	-	(57)
At 31 October 2022	507	282	1,220	2,009
Net book value				
At 31 October 2022	497	150	225	872
At 31 December 2021	518	119	220	857
At 1 January 2021	542	165	210	917

Depreciation is recognised within administrative expenses in the income statement.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 October 2022 £'000	31 December 2021 £'000
Motor vehicles	23	33

12. Investments in subsidiaries

	Total £000
Cost	
At 1 January 2021	11,099
Additions	<u>1,161</u>
At 31 December 2021	12,260
Additions	<u>2,725</u>
At 31 October 2022	<u>14,985</u>
Impairment	
At 1 January 2021	11,096
Charge for the year	<u>1,161</u>
At 31 December 2021	12,257
Charge for the year	<u>800</u>
At 31 October 2022	<u>13,057</u>
Net book value	
At 31 October 2022	1,928
At 31 December 2021	<u>3</u>
At 1 January 2021	<u>3</u>

The Company's subsidiary undertakings are listed below. The registered office address for all subsidiaries is Bank House Market Place, Reepham, Norwich, NR10 4JJ.

	Principal activity	Class of shares	Holding
Norfolk Country Cottages Limited	Dormant	Ordinary	100%
Yorkshire Holiday Cottages Limited	Dormant	Ordinary	100%
W.M. Powell Development Company Limited	Dormant	Ordinary	100%
Suffolk Country Cottages Limited	Dormant	Ordinary	100%
Suffolk Holidays Limited	Dormant	Ordinary	100%
Perfect Example Limited	Dormant	Ordinary	100%
Blueriver Cottages Ltd	Dormant	Ordinary	100%
Ready To Travel Limited	Dormant	Ordinary	100%
Big House Holidays Limited	Dormant	Ordinary	100%
Suffolk Cottage Holidays Limited	Dormant	Ordinary	100%
RTT Property Care Limited	Dormant	Ordinary	100%
Destination Suffolk Limited	Dormant	Ordinary	100%
Visit Suffolk Coast Limited	Dormant	Ordinary	100%
Mills and Barns Limited	Dormant	Ordinary	100%
Discovery Holiday Homes Limited	Dormant	Ordinary	100%
Holiday Homes & Cottages Ltd	Dormant	Ordinary	100%
Best of Wales Limited	Dormant	Ordinary	100%
Above Beach Cottages Ltd	Dormant	Ordinary	100%
Lanhams Limited	Dormant	Ordinary	100%
St Ives Holidays Limited	Dormant	Ordinary	100%
Northumbria Byways Limited	Dormant	Ordinary	100%
Heritage Hideaways Limited	Dormant	Ordinary	100%

The Original Cottage Company Limited

Grace Darling Holidays Limited	Dormant	Ordinary	100%
Douglas-Jones Limited	Dormant	Ordinary	100%
Home From Home (Wales) Limited	Dormant	Ordinary	100%
Coastal Retreats Limited	Dormant	Ordinary	100%
Brixham Holidays Ltd	Dormant	Ordinary	100%
Shamrock Cottages Ltd	Dormant	Ordinary	100%

13. Stocks

	31 October 2022 £'000	31 December 2021 £'000
Raw materials and consumables	-	37
	-	37

14. Trade and other debtors

	31 October 2022 £'000	31 December 2021 £'000
Trade debtors	19,837	24,305
Other debtors	943	713
Prepayments	202	417
	20,982	25,435

Trade debtors are stated after provisions for Impairment of £Nil (31 December 2021: £Nil).

15. Cash and cash equivalents

	31 October 2022 £'000	31 December 2021 £'000
Cash at bank and in hand (GBP)	10,598	10,514

At the reporting dates presented all significant cash and cash equivalents were deposited in the United Kingdom with large international banks.

16. Creditors: Amounts falling due within one year

	31 October 2022 £'000	Restated 31 December 2021 £'000
Bank loans	-	1,000
Trade creditors	23,882	29,260
Amounts owed to Group undertakings	11,737	69
Amounts owed to related parties	-	3,600
Other tax and social security	1,708	610
Finance lease creditors	36	12
Other creditors	2,356	1,335
Accruals and deferred income	813	642
	<u>40,532</u>	<u>36,528</u>

Bank overdrafts and loans are secured by fixed and floating charges over certain assets of the company, and the group.

The amounts owed to related parties are unsecured and interest free.

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

	31 October 2022 £'000	31 December 2021 £'000
Bank loans	-	7,850
Finance lease creditors	-	8
	<u>-</u>	<u>7,858</u>

18. Loans

Analysis of the maturity of loans is given below:

	31 October 2022 £'000	31 December 2021 £'000
Amounts falling due within one year		
Bank loans	-	1,000
Amounts falling due 1-2 years		
Bank loans	-	1,000
Amounts falling due 2-5 years		
Bank loans	-	5,900
Amounts falling due after more than 5 years		
Bank loans	-	950
	<hr/>	<hr/>
At 31 October	-	8,850

Bank loans are secured by fixed and floating charges over certain of the assets of the company and the group.

On 23 December 2021, the company extended its bank facility agreement with HSBC Bank plc. The facilities comprised a three year Revolving Credit Facility ('RCF') of £10.0m and a three year term loan bank facility of £6.2m. The term loan was repayable in quarterly instalments over a period of 6 years and bore interest at a rate of base rate plus 2.25%. Interest on the RCF was charged at base rate plus 2.25% on the drawn-down amount. A commitment fee of 0.90% was charged on the undrawn amount.

The bank loans were repaid in full following the Company's acquisition during the year.

19. Leases

Finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 October 2022 £'000	31 December 2021 £'000
Within one year	21	13
Between 1-5 years	19	9
Less finance charges included above	(4)	(2)
	<hr/>	<hr/>
At 31 October 2022 / 31 December 2021	36	20

Obligations under finance leases and hire purchase contracts are secured on related assets.

Operating leases

At 31 October 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 October 2022 £'000	31 December 2021 £'000
Not later than 1 year	852	761
Later than 1 year and not later than 5 years	2,029	2,140
Later than 5 years	752	1,007
	<hr/>	<hr/>
At 31 October 2022 / 31 December 2021	3,633	3,908

Operating lease commitments represent rentals payable by the company in respect of its office premises and motor vehicles.

20. Deferred tax

	31 October 2022 £'000	31 December 2021 £'000
At beginning of year	2,271	1,794
Credited to profit or loss	(169)	237
Arising on business combinations	-	240
	<hr/>	<hr/>
At end of period / year	2,102	2,271

The provision for deferred taxation is made up as follows:

	31 October 2022 £'000	31 December 2021 £'000
Accelerated capital allowances	131	133
Losses and other deductions	(5)	-
Arising on business combinations	1,976	2,138
	<hr/>	<hr/>
	2,102	2,271

The amount of the net reversal of deferred tax expected to occur next year is £343,781 (31 December 2021: £347,000), relating to the reversal of existing timing differences on fixed assets.

21. Share capital

	31 October 2022 £	31 December 2021 £
Allotted, called up and fully paid		
43,901,000 (2021: 43,901) Ordinary shares of £0.001 (2021: £1) each	43,901	43,901
2,893,000 (2021: 3,717) Ordinary A shares of £0.001 (2021: £1) each	2,893	3,717
1,000 (2021: 911) Ordinary B shares of £0.001 (2021: £1) each	1	911
578,000 (2021: 1,707) Ordinary C shares of £0.001 (2021: £1) each	578	1,707
1,000 (2021: 606) Ordinary D shares of £0.001 (2021: £1) each	1	606
4,624,000 (2021: 576) Ordinary E shares of £0.001 (2021: £1) each	4,624	576
Nil (2021: 576) Ordinary F shares of £0.001 (2021: £1) each	0	576
2,315,000 (2021: 576) Ordinary G shares of £0.001 (2021: £1) each	2,315	2,319
3,479,000 (2021: 2,319) Ordinary H shares of £0.001 (2021: £1) each	3,479	3,479
Total share capital	57,792	57,792

The Ordinary A-H shares rank pari passu.

During the year, the Company entered into a share reorganisation where 824 Ordinary A shares, 910 Ordinary B shares, 1,129, Ordinary C shares, 605 Ordinary D shares, 576 Ordinary F shares and 4 Ordinary G shares were re-designated as Ordinary E shares.

Following this re-designation, the Company carried out a sub-division of all of the shares from 57,792 shares (of various designations, with various class rights) with a nominal value of £1 each to 57,792,000 shares (of the same designations with the same class rights) with a nominal value of £0.001 each.

During the prior year, the Company redeemed 150,000 redeemable preference shares at par.

The nature and purpose of other reserves within equity is as follows:

Capital redemption reserve	Upon redemption of preference shares, a capital redemption reserve was created representing the nominal value of the shares cancelled. This is a non-distributable reserve.
Share based payment reserve	This represents the accumulated value of share-based payments.
EBT reserve	This balance reflects the value of the shares in the company held by the Employee Benefit Trust (see note 22 for further details).
Profit and loss account	The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

22. Employee Benefit Trust

During the period, the EBT issued nil cost share options to beneficiaries in relation to the shares in the company held by the EBT. Subsequently, during the current period, the options were exercised and sold and the EBT closed.

In accordance with FRS 102, the assets and liabilities of the EBT have been recognised on the Company's balance sheet. In the prior year, the value of the shares acquired and held by the EBT have been shown as a deduction within total equity.

23. Business combinations

During the period ended 31 October 2022 and the year ended 31 December 2021, the Company acquired the trade and assets of holiday cottage agencies throughout the country.

The intangible fixed assets purchased relating to customer relationships amounted to £488,000 (31 December 2021: £497,000).

24. Contingent liabilities

Prior to the acquisition of the company by The Travel Chapter Limited, there was a multilateral guarantee in place between The Original Holding Company Limited and this company, over the bank borrowings. The total amount outstanding at the period end amounted to £nil (31 December 2021: £10,249,000).

25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £443,000 (Year ended 31 December 2021: £422,000). Contributions totalling £nil (31 December 2021: £nil) were payable to the fund at the reporting date.

26. Share based payments

The Company has made equity share-based payments as defined in IFRS2 during the period. This standard requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The details of the relevant schemes, and the valuation methodologies adopted, has been included below. Amounts relating to the company's employees are recognised as an expense in accordance with IFRS 2.

The Original Cottage Company Limited

Based on these assessments, the following amounts have been recognised in relation to share-based payments:

	31 October 2022 £'000	31 December 2021 £'000
The Original Cottage Company share options	11,197	Nil
Total	11,197	Nil

The Original Cottage Company Share Option Scheme

An 'unapproved' share option scheme was introduced in April 2022, over The Original Cottage Company Ordinary E shares.

On 21 April 2022, the Company granted options to management and certain other employees.

Under the scheme rules an individual must remain employed by the Company, and if they cease to be, then the Share Option will lapse, unless the Board determines otherwise.

Options over 4,624,000 Ordinary E Shares were granted in April 2022 (2021: nil) at an exercise price of £Nil. All options were exercised in full on 4 May 2022 as part of the acquisition of the Company by The Travel Chapter Ltd.

Due to the short amount of time between the grant and exercise of the options, management consider that the value of the E Ordinary Shares achieved during the acquisition of the Company by The Travel Chapter Ltd, is representative of the fair value of the options.

Issue Date	21/04/2022
Options Issued	4,624,000
Exercise price	£Nil
Fair Value per Option	£2.42

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during each period presented are as follows:

31 October 2022

	Number of Options
Outstanding at the beginning of the period	Nil
Issued	4,624,000
Exercised	(4,624,000)
Outstanding at the period end	Nil
Number vested and exercisable at 31 October 2022	Nil
Weighted average remaining contractual life (years)	Nil

31 December 2021

	Number of Options
Outstanding at the beginning of the period	Nil
Outstanding at the year end	Nil
Number vested and exercisable at 31 December 2021	Nil
Weighted average remaining contractual life (years)	Nil

27. Related party transactions

Transactions with directors:

During the period, dividends were paid to Directors of the company, or their spouses (by way of a credit to their respective Directors' loan accounts) totalling £nil (Year ended 31 December 2021: £177,000).

At the reporting date, £nil (31 December 2021: £140,000) was due to Directors by way of Directors' loan accounts, which are interest free.

Other related party transactions

	31 October 2022 £'000	31 December 2021 £'000
Rent charged by former parent company	89	80
Letting agency fees charged to former parent company	(3)	(8)
Recharge of amounts paid by company on behalf of former parent company	(98)	(852)
Dividends paid to former parent company	-	600
Amounts owed (to) / by former parent company	-	(66)

The company has taken advantage of the exemptions available in FRS 102 not to disclose transactions with wholly owned group companies.

28. Financial commitments

There were no significant financial commitments at any of the reporting dates presented.

29. Post balance sheet events

On 1 November 2022 the trade and assets of The Original Cottage Company Limited (acquired by The Travel Chapter Limited on 4 May 2022) were formally hived up into The Travel Chapter Limited. This included the transfer of c. 320 employees, helping to complete the combination of the two businesses.

30. Parent undertaking and ultimate controlling party

The immediate parent company is The Travel Chapter Limited. The ultimate controlling party is ICG Europe Fund VIII.