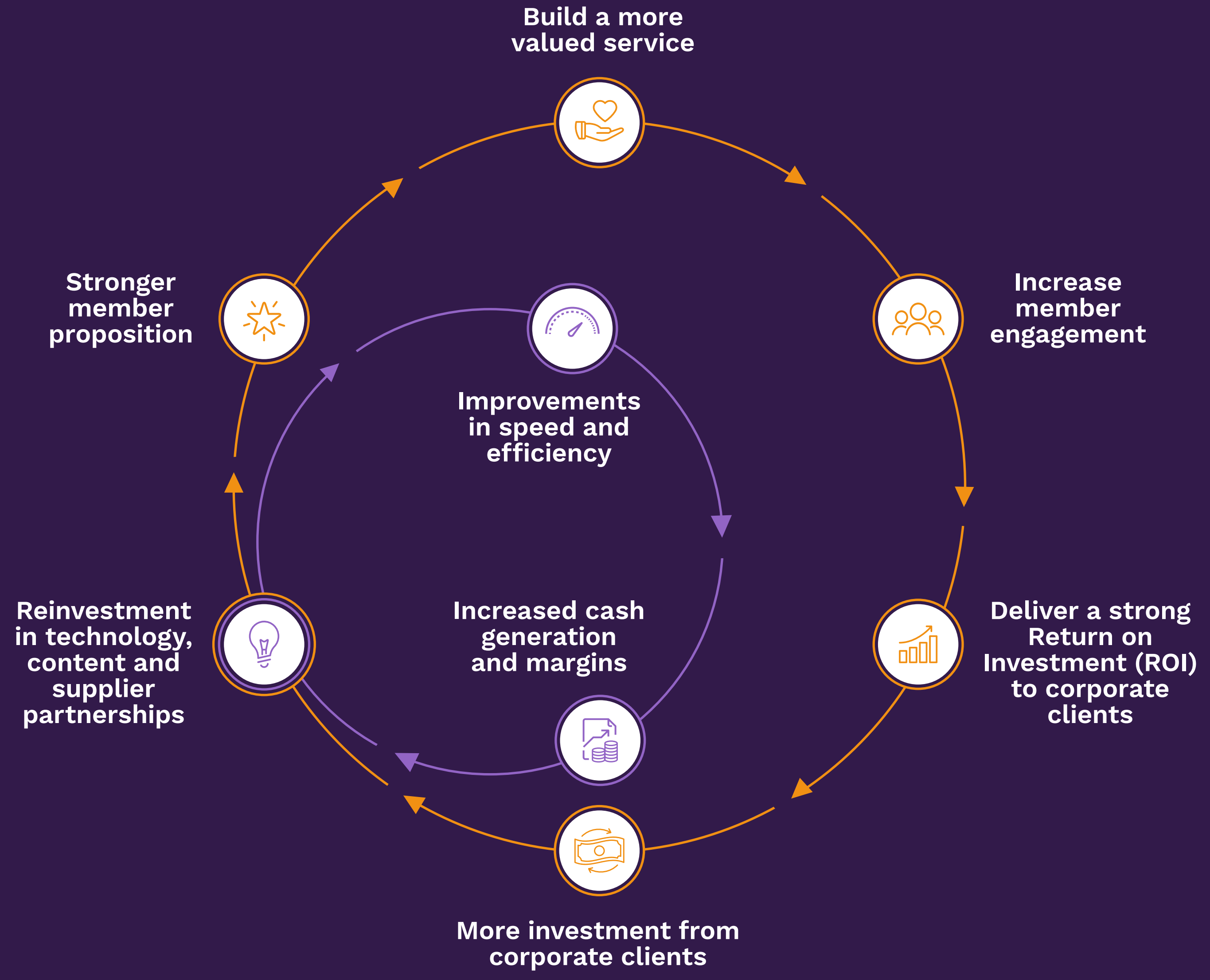
THE FUTURE OF SERVICE

Ten Lifestyle Group Plc

Accounts for the year ended 31 August 2021

Ten's Growth Engine

Driving proposition, profitability and scale



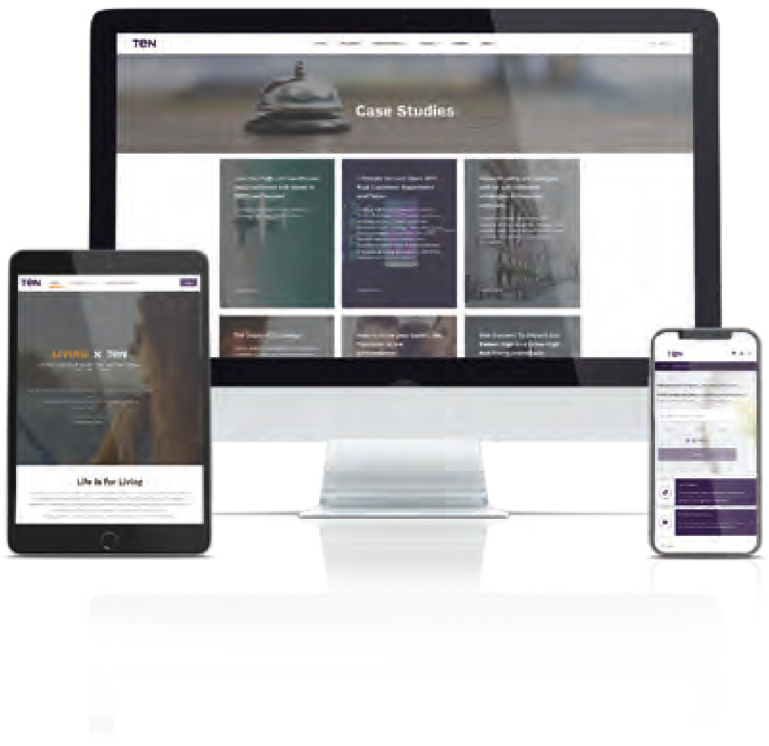
Read more about our business model on **pages 12 and 13**

Our Mission

To become the world's most trusted service.

We aim to deliver the best in personalised, expert-led customer service combined with continuous innovation in technology.

Today, our service is offered to millions of members and we work with more than 50 corporate clients from over 20 of the world's most important metropolitan cities.



Stay up to date on our website **www.tenlifestylegroup.com**

Our cover image is supplied by Rocky Mountaineer, a Ten partner and supplier of luxury scenic train routes within the Rockies.

Contents

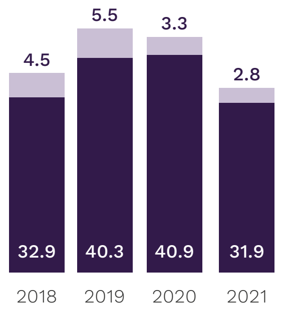
Year in Review

Financial

- Net Revenue[1] decreased 21.6% to £34.7m (2020: £44.2m) due to impact of COVID-19 on member activity and travel, mitigated by augmenting core services with relevant support services
  - Corporate revenue decreased by 22% to £31.9m (2020: £40.9m)
  - Supplier revenue decreased by 15.2% to £2.8m (2020: £3.3m)
- Reduced loss before tax of £(5.5)m (2020: £(5.9)m)
- Improved efficiencies (and government support) helped achieve £9.2m reduction in total operating expenses from £39.4m in 2020 to £30.3m in 2021
- Adjusted EBITDA[2] of £4.4m (2020 £4.8m); improved adjusted EBITDA margin[3] of 12.8% (2020: 10.8%)
  - Improved efficiencies and prudent cost reduction actions taken throughout the year
  - Maintained a high level of investment in technology of £11.5m (2020: £12.2m)
- Net cash at £6.7m (2020: £10.0m)

Net Revenue
£m

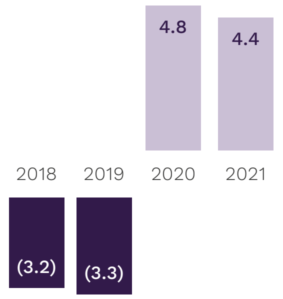
£34.7m



■ Corporate/other
■ Supplier

Adjusted EBITDA
£m

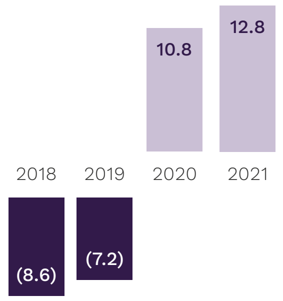
£4.4m



■ Adjusted EBITDA (Pre-IFRS 16)
■ Adjusted EBITDA

Adjusted EBITDA margin
%

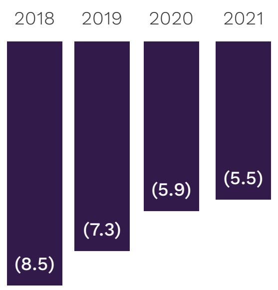
12.8%



■ Adjusted EBITDA margin (Pre-IFRS 16)
■ Adjusted EBITDA margin

Loss before tax
£m

£(5.5)m



1 Net Revenue excludes the direct cost of sales relating to certain member transactions managed by the Group.

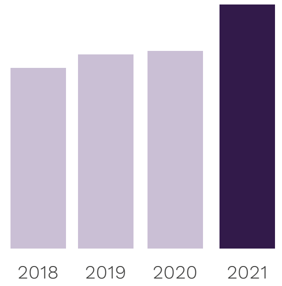
2 Adjusted EBITDA is operating profit/(loss) before interest, taxation, amortisation, depreciation, share-based payment expense and exceptional items.

3 Adjusted EBITDA margin is Adjusted EBITDA as a percentage of Net Revenue.

Operational

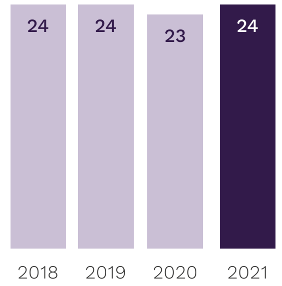
- Year-on-year record member satisfaction[4] which drives repeat use and value to our corporate clients
- Retained all Material Contracts[5] in the period, although a Large EMEA contract transitioned from a Large corporate to a Small affiliate contract
  - Launched a Medium contract with Westpac in Australia in September 2020
  - Won a Large contract with Credit Saison in Japan, launched in September 2021
- Eligible Member[6] base grew as a result of expansion of existing and addition of new corporate client programmes
- Active Members[7] fell by only 6% to 210k (2020: 229k), despite the impact of the pandemic, due to Ten adapting the member proposition and improving communications to engage members
- Continued digital development has driven business success
  - The Ten Digital Platform is live with 27 client brands (2020: 22) which drives engagement and service quality
  - £11.5m (2020: £12.2m) invested in proprietary digital platforms, communications and technologies to enhance member experience and create competitive advantage
  - Improved efficiencies and proposition from greater digital capabilities, operational maturity and stronger supplier partnerships mean over 70% of requests are now serviced using automation (2020: 63%)

Net Promoter Score



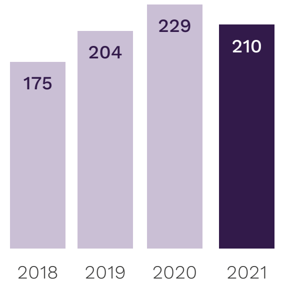
Material Contracts

24



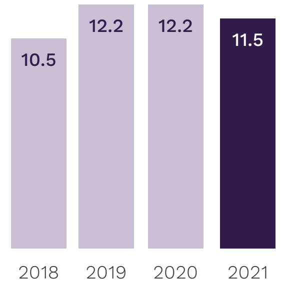
Total Active Members
('000)

210k



Investment in technology, content and communications
(£m per year)

£11.5m



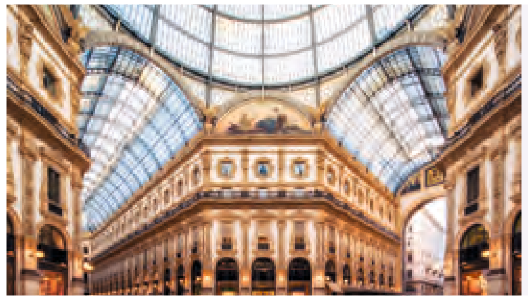
4 Ten measures member satisfaction using the Net Promoter Score management tool, which gauges the loyalty of a firm's customer relationships (https://en.wikipedia.org/wiki/Net_Promoter).

5 Ten categorises its corporate client contracts based on the annualised value paid, or expected to be paid, by the corporate client for the provision of concierge and related services by Ten as: Small contracts (below £0.25m); Medium contracts (between £0.25m and £2m); Large contracts (between £2m and £5m); and Extra Large contracts (over £5m). This does not include the revenue generated from suppliers through the provision of concierge services. Medium, Large and Extra Large contracts are collectively Ten's "Material Contracts".

6 Eligible Members are individuals who have an eligible product, employment, account or card offered by one of Ten's corporate partners and have legitimate access to the service.

7 Active Members are members of Ten that have used the service at least once in the past twelve months.

Investment Case



A huge market opportunity

- As our service aims to become the best way to access and organise dining, travel and tourism, entertainment and premium shopping markets
- We have proven ways to increase Eligible Members, Active Members and average revenue per Active Member that develop our market share and revenue

← Luxury shopping centre Galleria Vittorio Emanuele II, Milan

The established market leader for technology-enabled concierge services[8]

- The only global, multi-category transactional lifestyle and travel platform, backed by expert Lifestyle Managers in 17 languages, 27 brands and 100+ countries
- With long-term, well-retained and large corporate contracts
- A growing, engaged HNWI[9] closed user group

← The Ten Digital Platform

A proven growth engine at the heart of our business model

- Benefited by high levels of investment in our technology
- Delivering a strong member proposition and member engagement
- Driving our clients' return on investment and their continued support of Ten

← Hungarian Grand Prix, an event Ten has arranged tickets for

Focused on growth

- Revenue sustained through member activity and support from corporate clients despite COVID-19
- Growth in Eligible Members due to contract wins and contract extensions, with a strong sales pipeline for future growth

← An original image taken during filming in the gardens of Le Manoir aux Quat'Saisons, UK

Improving efficiency

- Generated EBITDA profitability for the second year following a period of intensive investment since our IPO in November 2017 driven by technology and operational efficiencies
- Over 70% of requests are now serviced using full or partial automation (2020: 63%)

← Image supplied by Ten Partner Hélène Darroze at The Connaught, one of the hosts of Ten's Restaurant Week 2021

Watch our investor presentation at **www.tenlifestylegroup.com/investors**

8 Based on our management's beliefs and assumptions and on information currently available to our management, including the number of corporate contracts won in competitive tenders.

9 A high-net-worth individual (HNWI) is someone with a net worth of over US$1m including their primary residence.

Strategic Report

The Sanctuary at Kiawah Island Golf Resort, a new partner added to the Ten Global Hotel Collection in 2021 →

Chairman's Statement

Building healthy foundations for growth

Bruce Weatherill
Chairman

"Continued investment into technology, strategic partnerships and our people have enabled the Group to build healthy foundations for growth"

Overview

I am pleased to present our annual results for the year ended 31 August 2021, which sets out the Group's progress towards becoming the world's most trusted service by using expertise and a digital engagement platform to create unique experiences for our members, which generates brand loyalty for our clients and revenue for Ten.

It would be easy to underestimate the effects the COVID-19 pandemic has had on our business over the last twelve months and is indeed still having on our business. However, it is remarkable how the business has responded to the challenges, developed its offerings, continued to invest in technology and maintained member and client focus.

In this difficult environment, the Group maintained Adjusted EBITDA profitability and ends the year with net cash. Net Revenue was impacted by the effects of the COVID-19 pandemic throughout the year. Adjusted EBITDA Margin[10] improved due to the resilience and flexibility of our team, our technology-enabled service proposition and the strength of the underlying business model. This enabled us to tailor existing offerings and develop new services to meet the needs of our members during the pandemic and enhance their loyalty to our corporate clients.

Our technology also underpins the Group's competitive position as a leading digitally enabled, global lifestyle and travel service platform for individuals and their families. Continued investment into technology, strategic partnerships and our people has enabled the Group to build healthy foundations for growth through an improved service and client proposition whilst also achieving further efficiencies.

Strategy

The Group remains committed to its mission to become the world's most trusted service. Our stated purpose is to allow valued members to organise their travel, dining, entertainment and other lifestyle needs by optimising our market-leading proprietary platform technology, together with our unique access, our buying power and our expert Lifestyle Managers. This in turn helps build the value and the loyalty of the customers to our corporate clients, who enable them to use our service. With offices with Lifestyle Managers in over 20 cities globally, we can help improve our members' lives wherever they are, in business or in leisure, in over 15 languages, 24 hours a day. High Net Promoter Scores (NPSs) evidence that our services are appreciated by our members and drive value for our corporate clients.

To achieve this, the Group utilises the Ten growth engine at the heart of our business model by building an ever-stronger member proposition, resulting in investment from corporate clients who in turn are seeking to improve the profitability and loyalty of their most valuable customers. Income from corporate clients is invested back into technology, content and service quality, building the member proposition and further driving the growth engine. We expand on the growth engine on pages 12 and 13.

The Group continues to benefit from strong partnerships with corporate clients, primarily in the financial services sector, seeking to improve the engagement, retention and acquisition of their most valuable customers by offering access to our technology-enabled travel and lifestyle services. The Group also offers individuals the opportunity to access its services through a private membership proposition, although this is a far smaller part of our total business.

Ten offers its members access to a wide range of propositions across key consumer markets, including dining, travel, entertainment and premium retail. By combining the buying power of its membership, the Group helps members secure attractive, and often unique, access, service levels, offers and benefits, meaning they can achieve better and more cost-effective outcomes, more conveniently than they could on their own.

These services are all made available to members to search and book online though Ten's market-leading lifestyle and travel proprietary digital platform, the "Ten Digital Platform", or from our expert Lifestyle Managers by phone, email, live chat and WhatsApp. Detailed descriptions of the strategies are on pages 14 to 25.

Results

The Group's ongoing focus on efficiencies has contributed to an improved Adjusted EBITDA margin of 12.8% (2020: 10.8%), resulting in Adjusted EBITDA profitability for a second consecutive year with Adjusted EBITDA of £4.4m (2020: £4.8m) and a net cash position of £6.7m (2020: £10.0m). A decline in Net Revenue, largely because of the pandemic (2021: £34.7m; 2020: £44.2m), led to the small reduction in Adjusted EBITDA. The improved efficiencies were backed by prudent cash management, including the implementation of a "Salary Sacrifice Scheme", as described on pages 52 and 53.

Adjusted EBITDA profitability and maintaining a net cash position, whilst continuing to invest in technology, are key performance indicators of the Group's strategic growth engine.

Net Revenue declined by 21.6% in the year to £34.7m (2020: £44.2m), caused by COVID-19 and the resulting public health actions throughout the year reducing member activity and revenue from corporate clients paying for their customers' use of the service. Lower rates of member travel bookings also caused supplier revenue to be down 45% on pre-COVID-19 levels[11].

The Board believes that the decline in Net Revenue caused by COVID-19 was less than may have been expected at the beginning of the crisis from a business that, pre-pandemic, had travel, eating out and live entertainment as its core service categories. The Group's agile response to our members' changing needs has allowed the service proposition to remain relevant to our members and corporate clients, partly mitigating the effects on our relevant markets.

In a challenging commercial environment, the Group secured new contract wins during the year, including a Large contract with Credit Saison, a leading credit card issuer in Japan, which launched in September 2021, a Medium contract with a wealth management business in EMEA and a Medium contract with Westpac Banking Corporation in Australia, which launched in September 2020.

The Group also benefited from multi-year contract extensions and significant expansions of contracts with our existing corporate clients, including a significant new mandate with an existing client in EMEA, expanding the Extra Large contract with the addition of a premium, high-engagement programme. I am delighted that we have retained all Material Contracts in all markets, although one Large contract in EMEA transitioned from a Large corporate to a Small affiliate contract model. Both the new contracts won and launched in the period and growth of existing mandates have resulted in a record number of Eligible Members (as described on pages 20 and 21) which bodes well for a return to growth with returning consumer activity.

Both growth from new contract wins and the development of existing corporate programmes were held back in the year due to wider economic uncertainty and the continued impact of the pandemic on consumer behaviour. Nonetheless, by investing in technology and content during the year, we have maintained a strong sales pipeline. We believe that we remain differentiated from our competitors and during the year continued to invest in our proven ability to help clients engage, retain and acquire their most valuable customers.

The digital transformation of the service since IPO accelerated during the year, with over 70% of requests now serviced using automation and a 74% increase in the number of fully automated requests. Increased automation drives the speed and efficiency of our service, which contributes to increased cash generation and the improved Adjusted EBITDA margin of 12.8% (2020: 10.8%). This was achieved whilst improving the quality of the service, reflected in the record levels of member satisfaction[12] in all regions.

People

The Group continues to benefit from a stable, founder-led executive management team which has shown strong leadership, innovation and resilience in all regions to overcome the challenges faced since the start of the pandemic.

We continued to develop our people including graduating 26 employees from eight countries through Ten's Global Leadership Programme, a twelve months' internal development programme aimed at developing the Group's future leaders.

The Group reduced its levels of full-time equivalent (FTE) employees for the second consecutive year in response to regional growth rates, improved efficiencies and regional cost optimisation.

Summary

In last year's Annual Report, Alex Cheatle, CEO, stated: "Despite generating less Net Revenue, we are cautiously optimistic that we can maintain healthy EBITDA profitability by continuing to deliver efficiencies and cost savings, whilst maintaining decent levels of investment into our technology."

I am very pleased to report that the Group has delivered on this statement, despite the effects of the pandemic throughout the financial year, by continuing to invest in technology and content to improve the member proposition whilst maintaining a positive net cash position as well as improving margin percentage. Restrictions on consumer activity globally did, however, cause a decline in Net Revenue.

We remain confident in the strength of our relationships with our existing clients because we have proven our value in helping corporate clients engage, retain and acquire their most valuable customers. This bodes well for the future as we emerge from the pandemic with a healthy business, strong service levels, improved technology and an opportunity for our growth engine to prove itself further with sustained increases in Net Revenue and profitability.

Bruce Weatherill
Chairman
23 November 2021

10 Adjusted EBITDA as a percentage of Net Revenue.

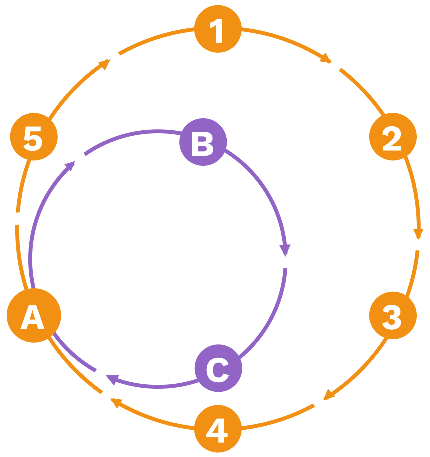
11 Ten's revenue from its supplier base, such as hotels, airlines and event promoters which sometimes pay commission to Ten, constituted 9% of Net Revenue in 2021, 7% of Net Revenue for the 2020 financial year (as reported in the 2020 Annual Report and Accounts and 12% of Net Revenue in 2019 (pre-COVID-19) (as reported in the 2019 Annual Report and Accounts).

12 Ten measures member satisfaction using the Net Promoter Score management tool, which gauges the loyalty of a firm's customer relationships (https://en.wikipedia.org/wiki/Net_Promoter).

Chief Executive's Statement

Successful business model with improving efficiencies and proposition

Alex Cheatle
Group Chief Executive Officer



The growth engine at the heart of Ten's business model

←

1 Building a more valued service
2 Increasing member engagement
3 Stronger Return on Investment (ROI) to corporate clients
4 More investment from corporate clients
5 Stronger member proposition
A Reinvestment in technology, content and supplier partnerships
B Improves speed and efficiency
C Increases cash generation and margins

Overview

Our business has continued to prove itself, remaining healthy with an Adjusted EBITDA of £4.4m (2020: £4.8m), despite the effects of COVID-19, which caused Net Revenue to decline to £34.7m (2020: £44.2m).

The success of the "growth engine" that lies at the heart of our business has created efficiencies that have allowed us to continue to invest into our technology and to improve our proposition to both members and our corporate clients. After that investment, we increased our Adjusted EBITDA percentage margin to 12.8% (2020: 10.8%), through a mixture of cost management, government funded COVID-19 receipts and improving efficiencies, notwithstanding the impact of the pandemic on Net Revenue.

We have continued our strategy of investing in technology, content and supplier partnerships to improve our member proposition. During the pandemic, we have expanded our service to include virtual events, home delivery management and staycations. These services have not fully compensated for the effective freeze on international travel in some markets and the general reduction in social activity globally but have helped mitigate the impact on the business and will remain important to our service in future years too.

Member activity was down in the year, following the trend of consumer activity in our core service categories globally, due to COVID-19. The majority of our Net Revenue comes from service or subscription fees, paid by our corporate clients or private members. In contrast, almost all other providers of similar services (e.g. travel agents or ticket portals) rely on commission or mark-ups on bookings. This advantage allowed us to continue to provide market-leading value and service to our members. Unlike much of the travel industry in the UK and internationally, we did not issue any Refund Credit Notes to members and returned all cash to members when bookings were cancelled due to the pandemic. This has helped build loyalty and trust.

Towards the end of the period and since the period end, we saw member activity increase as restrictions eased in most regions, particularly in travel, dining and live events. Commissions from our travel bookings in the final quarter of FY2021 rose 28% when compared with the same pre-COVID-19 period in 2019. Increased member activity improves revenue from corporate clients and suppliers, which has a positive effect on efficiencies and service quality.

We have achieved record levels of satisfaction[13] with our members, for the fourth year in a row since IPO, and we continue to prove our value to our corporate clients at a time when traditional customer benefits have proven less relevant and flexible during the pandemic (e.g. airport lounge access, travel insurance and physical hospitality events).

I am extremely proud of our committed people, across over 20 cities globally, who have continued to deliver high-quality services in over 15 languages to our members and corporate clients in a challenging environment.

13 Ten measures member satisfaction using the Net Promoter Score management tool, which gauges the loyalty of a firm's customer relationships (https://en.wikipedia.org/wiki/Net_Promoter).

Adjusted EBITDA
£4.4m

Adjusted EBITDA margin
12.8%

Investment in technology, content and communications
£11.5m

↓ An original image taken at Ten partner Daniel by Daniel Boulud, New York

Regional analysis

We continued to operate in all existing markets from over 20 cities globally in the year and we have improved our Adjusted EBITDA margin in APAC and the Americas as our business there has matured.

We retained all Material Contracts globally in the year, although one Large contract in EMEA transitioned from a Large corporate to a Small affiliate contract model.

EMEA

In EMEA we successfully maintained the relevance of our service to our members and corporate clients, achieving record levels of member satisfaction in the region.

Regional Net Revenue declined by 18% as a result of a full year of the effects of the pandemic being felt in the region and the replacement of a Large corporate-pay model contract with a Small affiliate model contract in September 2020. We did not lose any Material Contracts, won a Medium contract with a wealth management business and extended as well as expanded some key contracts with corporate clients in the region.

The overall decline in Net Revenue to £18.1m (2020: £22.0m) was caused by corporate revenue reduction, due to reduced overall levels of member activity as well as a significant decline in supplier revenue, caused by lower travel commissions across the region.

We continued to make prudent cost saving actions across the region in the year, including office costs and headcount reductions, and we participated in a limited number of the available government funded COVID-19 initiatives. These actions, along with the continued improvements in operational efficiencies, limited the decline in Adjusted EBITDA margin to 34% in 2021 (2020: 37%).

Americas

A full year of the pandemic resulted in a decline of 28% in regional Net Revenue to £9.9m (2020: £13.8m) due to a decline in member activity. Further decline was mitigated through successfully replacing core service activities with other support services relevant to members during COVID-19 measures. This resulted in record levels of member satisfaction in the region.

We retained all Material Contracts in the region and expanded some mandates, supported by the opening of a new office in Denver towards the end of the year.

Although Net Revenue declined, we reduced our Adjusted EBITDA losses to £2.2m (2020: £3.9m). This was achieved through improved efficiency and various cost saving measures including the US Payroll Protection Program (US PPP) loan forgiveness of £1.0m which is reported in other income.

APAC

Our business in APAC has shown tremendous resilience during a full year of tough COVID-19 restrictions, achieving record levels of member satisfaction in the region. We retained all Material Contracts and won a Large contract with Credit Saison, a leading credit card issuer in Japan.

There has been very little international travel and few large live events, and national lockdowns have reduced demand for our dining services. However, our teams adapted well to the changing local restrictions and offered relevant services to our members. This mitigated the decline in Net Revenue to £6.7m (2020: £8.5m). Net Revenue also benefited from the launch in September 2020 of a multi-year contract with Westpac Banking Corporation, which now delivers Ten's concierge services to premium credit card customers primarily from our Melbourne office and includes access to the customised Ten Platform.

Although the effects of COVID-19 dampened the activity of existing client contracts in the region, we improved operational efficiencies, primarily driven by our continued digital transformation, as well as significant cost saving measures and our participation in relevant government funded COVID-19 initiatives. This resulted in a small increase in Adjusted EBITDA to £0.5m (2020: £0.4m).

Our investment in technology and content continues to drive our market-leading digital capability

We continued to invest in the quality, operational and competitive advantages that result from our digital capability. We invested £11.5m into technology, communications and content (2020: £12.2m) in the year and a total of £46.4m since IPO.

We believe that this clearly differentiates us from our competitors, and that our market-leading digital capabilities are at the core of the Group's health. Technology underpins our long-term "growth engine" strategy to become the world's most trusted service.

In the year, we delivered key milestones in our digital transformation, as detailed on pages 22 and 23.

Chief Executive's Statement continued

> *Our record service levels, strong technology platform, EBITDA profitability and a strong contract pipeline all combine to create confidence in a strong future."*

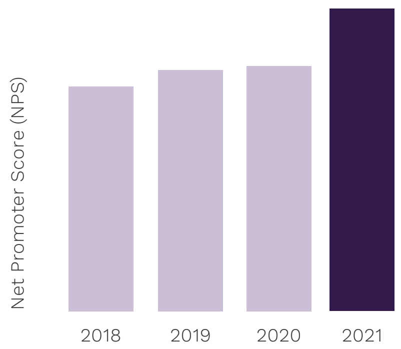
Stronger member proposition, satisfaction and engagement

Building a valued service and strong member proposition is the key objective of the growth engine that underpins the business model as it delivers member engagement, which is a key objective for our corporate clients, who invest in our service to acquire, engage and retain their most valued customers.

In the year we have strengthened our core propositions as set out on pages 24 and 25.

The more attractive and accessible our proposition is to new and existing members, the more members engage, use and advocate for our service. Member engagement and satisfaction is the key to building value for corporate partners, looking to improve the engagement, retention and acquisition of their most valued customers. This justified their spending more with us – and encourages new corporate partners and new suppliers to work with us.

We are delighted to have achieved another year-on-year record level of member satisfaction, as measured by Net Promoter Score (NPS).



We believe that our strengthened member proposition and member satisfaction levels have resulted in an increase in repeat usage of our service and sustained levels of Active Members using the service. Strong member satisfaction levels also help us demonstrate the return on their investment into the service, which contributes to the high levels of corporate client retention.

Summary

Our service is well positioned to add new contracts and grow existing contracts. We have maintained all our Material Contracts in the year and launched two new Material Contracts. This provides a strong platform for growth as demand for our services increases.

We believe our competitive position is stronger than ever, backed by a market-leading member proposition, which delivers a strong return on investment from our corporate clients. This has been achieved by continuing to invest in our technology, content and market expertise and better pricing, access, benefits and integration with our supplier partners.

Although the effects of COVID-19 have constrained some of our prospective clients from signing contracts, our pipeline is robust and we have secured some important new mandates and contract extensions. We have maintained our record of never having lost a material corporate client where we have launched our Ten Digital Platform. By developing the relevance of our service to our members and in turn our corporate clients, we have limited Net Revenue reduction from corporate clients to 22% during the year and retained all our Material Contracts in the year. That said, it is important that we recognise that the effects of COVID-19 have had an impact upon the length of time it takes to convert our pipeline. Whilst the "pitch process" has been taking longer, we have a healthy pipeline of prospective clients.

Despite prudent cost controls we have maintained investments in technology, content and supplier partnerships, which has enhanced the service to clients. This was a deliberate strategy taken by management as we recognise the importance of continued innovation in building our market position and improving service levels. The greater efficiencies that result, along with careful cash management, have helped us to maintain a net cash position of £6.7m (2020: £10.0m) and Adjusted EBITDA of £4.6m (2020: £4.8m).

Our record service levels, strong technology platform, EBITDA profitability and strong contract pipeline all combine to create confidence in a strong future for our business.

The strong "trusted expert" culture at Ten, member focus and commitment to innovation continues to make me proud. These values have been especially evident during this year of challenge. We have taken the opportunity during this period to strengthen our operational effectiveness, nurture our corporate clients and have communicated our longer-term strategic plans and ambitious vision to continue to keep our people focused.

Current Trading and Outlook

As the effects of COVID-19 ease globally, we expect that demand for our core services will recover and increase both from existing Active Members and from new "first time users" from our growing Eligible Member base, which will result in increased Net Revenue from our corporate accounts. In addition, some of our pandemic innovations will continue as important parts of our offering and create revenue. Since the year end, demand has increased and overall performance is in line with the Board's expectations.

Supplier revenue (largely generated by hotel bookings), which in (pre-COVID) FY2019 amounted to £5.5m of Net Revenue, in (pre-COVID-19) FY2019, is increasing as travel recovers. We believe this will continue to improve in FY2022 as COVID-19 continues to ease and travel returns. In the final quarter of FY2021, we saw travel bookings return to the pre-COVID-19 levels of FY2019 and in the first two months of the current financial year supplier revenue is running ahead of the same pre-COVID-19 period. It is not yet certain if the level of activity will sustain throughout the year.

Denver, USA, home to Ten's latest operational hub in North America

We expect the Group will benefit from the full year impact of new contract wins and extensions in 2021, which will increase the number of Eligible Members, Active Members and as a result, corporate revenue. We expect to increase revenue from existing clients as well as to continue to convert our strong pipeline of opportunities, helped by our proven ability to support clients to engage, retain and acquire their most valuable customers, and the increasing willingness of clients to commit to new initiatives.

We remain focused on continuing to increase Net Revenue and Adjusted EBITDA, maintaining a positive cash position whilst scaling up operations and maintaining our strategic investment in technology. As we await full recovery from the effects of COVID-19, we expect some reduction in net cash in the first half of the year.

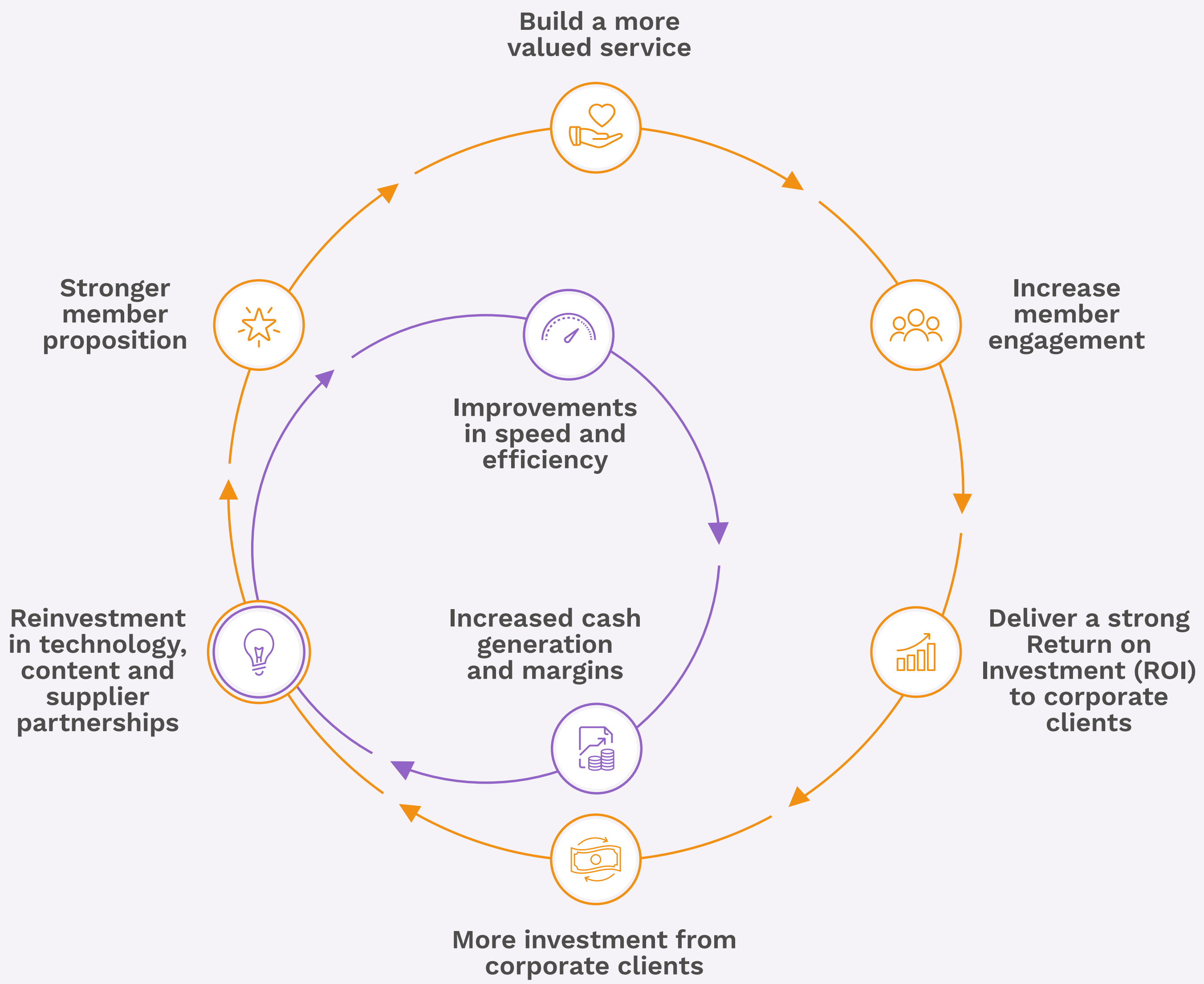
There are encouraging signs of recovery, albeit we are still experiencing some COVID-19 headwinds in some markets. Our high contract retention, record service levels, increasing supplier revenue, improving margins, healthy sales pipeline and continued investment to improve our technology and proposition, mean that the Board is optimistic that the Group will take further steps on our mission to becoming the most trusted service platform in the world.

Alex Cheatle
Group Chief Executive Officer
23 November 2021

Business Model

Ten's growth engine – proposition, profitability and scale

The growth engine at the heart of Ten's business model that grows service quality and cash generation over time and with scale, creating value for our shareholders and a defensive competitive position.



Principles of growth

Build a more valued service

To become the most trusted service in the world, we continue to build a "member-first" service that is valued because it offers reliable and relevant services using people and technology that members can trust to have their best interests at heart and deliver to their needs.

More investment from corporate clients

When we demonstrate strong Return on Investment (ROI) for our corporate clients, they invest more with us to customise, develop and integrate their concierge offering to their most valuable customers.

Increase member engagement

Individuals will engage on a repeat basis with a valued, trusted and convenient service that delivers superior access, benefits and value across multiple consumer markets and which adapts to changing and individual needs.

Reinvestment in technology, content and supplier partnerships

Reinvestment of revenue from corporate clients and profit generated by the growth engine improves our technology, including functionality of the Ten Digital Platform, content and our supplier partnerships. This helps create the momentum behind the Group's growth engine.

Investment in technology, content and communications

£11.5m

(2020: £12.2m)

Deliver a strong Return on Investment (ROI) to corporate clients

Corporate clients want us to help them increase their engagement, retention and acquisition of their most valuable customers, better and more effectively than other retention and acquisition tools. A partnership with Ten can also help clients to target improvements in customer advocacy, assets under management (AUM) and spend on related payment cards.

Stronger member proposition

A stronger member proposition benefits from improving the quality, speed and efficiency of the service as well as editorial content and the way we communicate with members. Leveraging the collective buying power of our affluent and growing membership with our existing and new supplier partners further strengthens the proposition by offering the best access, offers and discounts across dining, travel, entertainment and premium retail.

Drivers of efficiency and profitability

Improvements in speed and efficiency

Automating some of the ways we service member requests and effective communication strategies improve the speed and efficiency of the service.

Increased cash generation and margins

Improving operational and financial efficiency helps us achieve our strategic goals of generating cash and profit, which are largely reinvested into improving the member proposition still further and faster.

Adjusted EBITDA margin

12.8%

(2020: 10.8%)

Our strategy is on page 14

Our Strategy

Our growth strategies

- Build a strong member proposition and member engagement
- Secure and grow corporate client investment
- Invest in technology and content

Inputs	Strengths	Creating value	Outputs
Members	**Member led** • Member-focused culture • Founder-led leadership team • Strong member Proposition	The members' service of choice to research, organise and book travel, dining, premium shopping, live entertainment and events.	**Active Members** **210k** (2020: 229K) **Record level** Net Promoter Score
Corporate clients	**Operations** • Collective buying power of all our members enabling us to negotiate better access, value and benefits • Leverage technology for automation of processes where possible • Digital platforms for member to self-serve as they wish	Delivering a strong Return on Investment (ROI) to corporate clients. Ten's concierge services deliver value to our corporate clients by supporting their customer acquisition plans and increase customer lifetime value through engagement and retention impact of the service. Through member cohort analysis of selected programs, usage of concierge services correlated to significantly higher average card spend and growth of assets under management. Concierge users are also up to three times more likely to be retained as a customer.	**Corporate revenue** **£31.9m** (2020: £40.9m) **Corporate clients** **>50** **Material Contracts** **24**
Suppliers		Access to a closed user group of affluent, HNW and UHNW members. The Group earns some revenue from its supplier base, such as hotels, airlines and event promoters which sometimes pay commission to Ten. Ten does not typically negotiate higher levels of supplier commissions but instead focuses on negotiating the best member benefits to drive member satisfaction.	**Supplier revenue** **£2.8m** (2020: £3.3m)
People	**Business model** • Service fee-based revenue model with less reliance on supplier commission revenue • Cash generation improved margins • Efficient and scalable operations	Opportunities for our people to grow and attract the best talent. Access to Ten Academy – a dedicated team of trainers and certified coaches as well as an award-winning learning platform for self and leadership development. Ten Academy's Global Leadership Programme was launched in September 2019 and is focused on enabling talent to develop as leaders through a combination of self-directed and group learning as well as coaching and/or mentoring sessions.	**Improving** Employee Net Promoter Score **26** New GLP graduates from 8 countries
Technology and content		Best-in-market concierge platform enhances member proposition, and gives Ten a competitive advantage and ability to help clients engage, retain and acquire their most valuable customers. The scale and reach of the Ten Digital Platform is a competitive advantage and highly valued by our corporate clients and members.	**The Ten Digital Platform revenue** Ten derives revenue from delivering and licensing the Ten Digital Platform to its corporate clients and from custom development and integration work relating to the Ten Digital Platform. The Ten Digital Platform is now available in **27** brands **17** languages **100+** countries **39** currencies

Underpinned by our values

Member focused | Trustworthy | Pioneering

Strategy in Action

Build a strong member proposition and member engagement

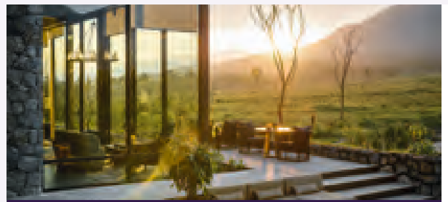
A strong proposition with multichannel access, value and benefits is highly valued by our members, which drives member engagement and outcomes for our corporate clients.

Our member proposition has been strengthened by key developments with supplier partners in the dining, travel, entertainment and premium brand consumer markets.

Dining

- Expanded Ten's popular "one-click" Held Tables Programme by more than 10% and into more global cities during the year, offering preferential access at the best restaurants on the Ten Digital Platform.
- Maintained c.10,000 curated and searchable reviews of the world's top restaurants with priority access (and often benefits) at over 70% of them.
- Published Ten's inaugural cookbook, "Cook", a collection of recipes contributed by our world-class chef partners.

← Image supplied by Ten partner Dinner by Heston, one of the hosts of Ten's Restaurant Week 2021



Travel and tourism

- Added IATA in Hong Kong and Japan to global travel licencing capability.
- Expanded Ten's Global Hotel Collection, a portfolio with over 3,800 (2020: c.2,500) luxury hotels that offer additional benefits.
- Maintained access to over 600,000 hotels worldwide.
- Maintained average saving of c.14% on Ten's Essential Hotel Collection, when compared to online travel agents' public sites.

← Singita Kwitonda Lodge, Rwanda, a new partner added to the Ten Global Hotel Collection in 2021

Offers and benefits

- Expanded the offers available to buy or redeem on the Ten Digital Platform, to over 550 (2020: c.450) premium and emerging retail brands.
- Complementary events granting members access to consumer events globally, including Taste of London, The Other Art Fair, Design Shanghai, Christian Louboutin pre-sale, Panerai & Jaeger LeCoultre and Aston Martin and Ferrari driving experiences.
- In-person hosted events were restricted during the period and substituted with virtual events, including:
  - Live cook-alongs with Richard Corrigan and Mark Peregrine of the Raymond Blanc Cookery School.
  - Ten's Restaurant Week in London, with restaurants including Le Gavroche, Hélène Darroze at The Connaught, Dinner by Heston, Harrods Social by Jason Atherton and Hakkasan.

← An original image taken during filming with Ten partner Fortnum & Mason

Entertainment

- Engaged over ten new hospitality partners, with access to golf, rugby, basketball, cricket and motorsport events.
- Booked over 600 official ticket packages (c. £150k of sales) during the first six weeks of fans returning to stadiums during the 2021/22 English Premier League football season.
- Over 200 virtual events held globally, including Ten's book club arranged for members based in the USA, the UK, Canada, Singapore, Hong Kong, Brazil and Spanish speaking Latin American countries, featuring award-winning authors: Douglas Stuart, Bernardine Evaristo, Lucy Kellaway, Monja Coen and Thomas Erikson.

← The Royal Opera House, UK, a Ten partner

Growing member engagement

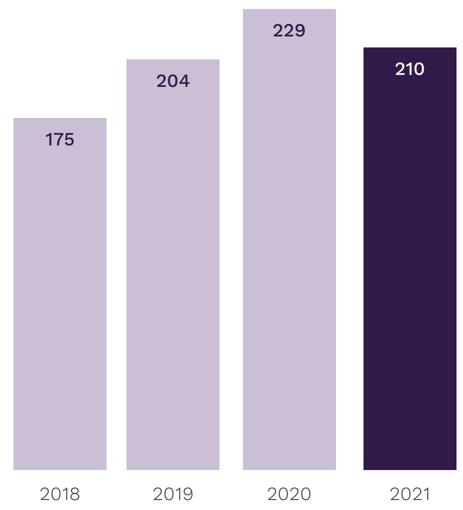
Eligible Members are defined as individuals who have an eligible product, employment, account or card offered by one of Ten's corporate partners and have legitimate access to the service. Active Members are members who have used the service at least once in the past twelve months.

Eligible Member growth comes from continued customer acquisition; driven the expansion of programmes with our corporate clients and the launch of new corporate programmes.

The number of Active Members is an indicator of member engagement, which is a driver of Net Revenue growth, and is actively used by senior management throughout the business to monitor performance. Going forward, the number of Active Members will be disclosed as one of the Group's KPIs and regularly monitored by the Board alongside the key financial performance indicators set out on page 29.

We are encouraged by the resilience of the Active Member metric since 2018, despite the well-documented effects of the pandemic on the core service categories. In fact, total Active Members are up 3.4% from 2019; testament to the impact of our improving member engagement strategies throughout the crisis.

Total Active Members ('000)



Member communications

To drive growth of our Active Member metric, we have improved on a range of member engagement strategies:

Service messages
Sent to Eligible Members who may have lapsed as Active Members or have not yet engaged with us; sharing the latest news about the proposition, service or the Ten Digital Platform.

On-boarding journey
Focuses on members who are new to the service. Comprising a series of eCRM communications to help them understand the service and how to get the most out of it. A bullseye routing feature on our telephony systems means that we identify inbound calls from "first time" users and route those calls to Lifestyle Managers best skilled at welcoming new members.

Recovery journey
Focuses on inspiring members who have not used the service for a while; using tailored communications to highlight aspects of the service.

Abandon basket reminders
Aid members who started but did not complete booking transactions on the Ten Digital Platform.

Automated travel communications
Focuses on members who have made travel plans through the service; offering useful, often inspiring, information about their upcoming trip and destination.

As part of our ongoing investment in technology, we broadened how members can access the services, services, including via self-registration and Single Sign-On the Ten Digital Platform integrations. In this financial year, we also made **Ten Open APIs**[14] available for our clients to interface modules of the Ten Digital Platform on their branded digital applications. We have launched **Member Get Member**, a referral programme for our corporate clients in Latin American markets, which aims to engage new Eligible Members by learning about it from existing Active Members who are already enjoying the service.

Net Promoter Score (NPS)

As a result of the improvements to our member proposition, we have, again, enjoyed record year-on-year Net Promoter Scores (NPSs), our primary measure of service quality and member satisfaction that is actively used as a KPI by senior management; regularly monitored by the Board alongside the key financial performance indicators set out on page 29. This drives the Active Member metric because satisfied users are more likely to continue using the service.

We also measure service quality against our own internal quality assurance standards.

14 Application programming interface (API).

30%
average email open rate

Looking ahead
We will continue to be member led, on hand to provide trusted advice and book travel, dining and live entertainment as the world emerges from the pandemic and demand is expected to exceed supply in many hospitality establishments.

Strategy in Action continued

Secure and grow corporate client investment

We aim to grow existing contracts and win new contracts by demonstrating the value that we add to their commercial metrics – notably our positive impact on retention, value and acquisition of their target customers.


Singapore, Ten headquarters in the APAC region

Ten's revenue streams

Corporate client revenue streams

Concierge services revenue

Most of Ten's corporate clients are private banks, retail banks, premium payment card providers and luxury brands, which offer Ten's services as part of their benefits package, which are complementary to their products such as premium banking, wealth management services or premium credit cards.

Ten typically charges its corporate clients related to a "per request" basis – costed depending on whether the request is made offline, requiring the expertise of a Lifestyle Manager, or online and completed through the Ten Digital Platform.

The Ten Digital Platform revenue

Ten derives revenue from delivering and licensing the Ten Digital Platform to its corporate clients. Ten also generate revenue from custom development and integration work relating to the Ten Digital Platform.

Other revenue

Other corporate client service-related-revenue-generating activities include negotiating special offers or benefits with suppliers and creating bespoke editorial content.

Won new clients, renewed and expanded mandates

The Group has secured some substantial new contract wins following successful pilots, including a Large contract with Credit Saison in Japan, which launched in September 2021 and a Medium contract with a blue-chip wealth management business in the EMEA region.

The Group has secured strategically important, multi-year contract extensions and significant expansions of contracts with some of our existing corporate clients. We have not lost any Material Contracts with clients in the year, although a Large EMEA contract transitioned from a Large corporate to a Small affiliate contract.

New contract wins and the growth of existing clients have both slowed due to the effects of COVID-19 on the wider economic and hospitality environment. Our continued investment in technology and content during the year has allowed us to maintain a strong sales pipeline, remain differentiated from our competitors and develop our proven ability to help clients engage, retain and acquire their most valuable customers.

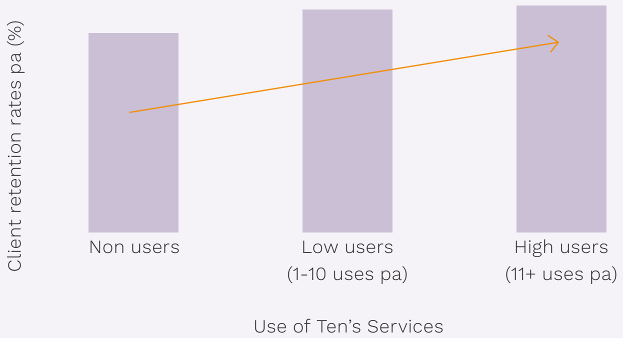
The Group continues to target and be in discussions with potential clients in other vertical markets.

tenlifestylegroup.com/case-studies

Market verticals					
Private and retail banking	**Premium card issuers**	**Wealth management**	**Airlines**	**Luxury brands including automotive**	**Employee loyalty**

Ten delivers ROI on our corporate clients' investment.

Client retention driven by concierge service use



Number of corporate clients
>50

Corporate revenue
£31.9m

Ten's concierge service makes money for our corporate clients by supporting their customer acquisition and retention plans and growing customer value.

Through member cohort analysis, we understand that concierge users are up to three times more likely to be retained as customers and more likely to be advocates for our corporate clients. Usage of Ten's concierge service also correlates, on relevant payment card products, with a significantly higher average card spend when compared with non-users and also correlates with growth of AUM, for wealth management products. These metrics indicate that our corporate clients' brands are more front-of-mind, and commercial results improve, amongst concierge users.

Our corporate partners continue to invest in our service to delight their customers, drive NPS and differentiate their proposition. Evidence that there is a positive ROI from this investment in hard commercial terms helps support continued and increasing investment.

Strategy in Action continued

Secure and grow corporate client investment (continued)

Growth potential of existing corporate clients

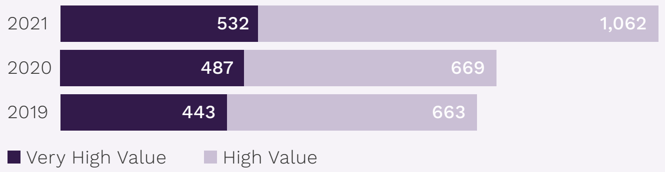
We've published a new segmentation approach[15] to our member cohorts based within our corporate clients to better reflect the potential of these programs. In this segmentation approach, we have categorised our members in accordance with their value to the corporate client[16] and quantified the Eligible Member base, Active Member base, uptake of the service and revenue contribution in each segment.

The Very High Value segment includes private banking clients who have a high level of investable assets under management with the bank and customers of very premium, high fee products. Potential (and actual) corporate budgets for these customers are higher because of the profitable nature of this customer segment and typically results in higher penetration of Active Members in the Eligible Member base and also a higher average concierge revenue per Active Member in this segment.

The High Value segment include typically mass affluent retail banking or credit card holders of an issuing bank proposition.

The Medium Value segment is made up of customers that are less valuable per capita to the sponsoring corporate for various reasons and include customer groups who have access to our service based on a specific type of card product, often through our contracts with the payment network providers, where the average value per Member is lower, but represents a large Eligible Member base.

Total Eligible Members; High and Very High segments ('000)

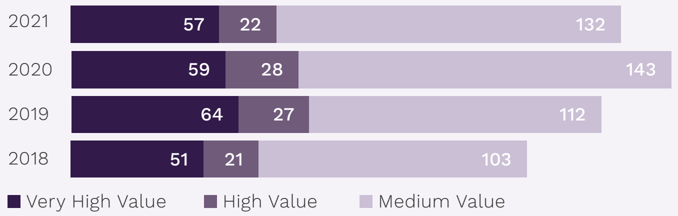


In 2021, the Eligible Member base within the High and Very High value segments grew by 38%.

The world's population of High and Very High value clients to corporate partners is many times bigger than our current Eligible Member base, presenting significant opportunities for growth.

The global HNWI[17] population is estimated to be at 20.8m in 2020[18, 19], which is used by the Board as a conservative approximation for the total population of Very High or High Value Eligible Members.

Total Active Members; all segments ('000)



Active Members are members who have used the service at least once in the past twelve months.

In 2021, whilst we maintained the number of Active Members above 200k, it declined year-on year, primarily due to reduced member demand for our core travel and lifestyle services caused by the pandemic, as well as the transition of a Large corporate to a Small affiliate contract model.

In addition, some contracts, either new or under-developed in terms of Active Member penetration, did not benefit from typical activation communications, due to consumer restrictions in place across most markets.

15 The segmentation analysis and associated revenue values described above focuses on Material concierge contracts and does not include other revenue streams such as Small contracts, miscellaneous / other bespoke (non-concierge revenue) or content only projects.

16 Based on our management's estimates and information available to our management, including feedback from corporate clients and products linked to corporate client programmes.

17 CapGemini Research Institute's World Wealth Report (2021) defines High-Net-Worth-Individual (HNWI) is someone with investable assets over US$1m excluding primary residence, collectibles, consumables and consumer durables.

18 CapGemini Research Institute's World Wealth Report (2021).

19 HNWI (someone with net worth over US$1m including primary residence) population in 2020 at 48.5m and UHNW (US$30m+) at 522k. (Source: Knight Frank Wealth Sizing Model, The Wealth Report 2021).

In 2021, the Active Member base of the Very High segment was 56.6k; an average Eligible Member penetration rate of 11%.

High performing, engaged programmes in this segment have an Eligible Member penetration rate of +60%, while developing programmes in this segment rate are at a rate of 25-30%.

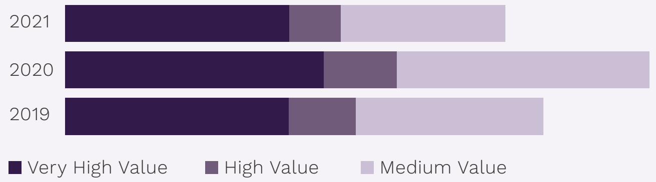
There is significant growth potential in a number of corporate programmes within this segment where the Eligible Member penetration rate is below 10%. These include newer programmes where engagement strategies have been delayed or curtailed due to the pandemic.

In 2021, Active Member base of the High Value segment was 21.7k; an average Eligible Member penetration rate of 2%.

Growth in this segment is driven in three ways:

1. growth of Eligible Members as banks continue to acquire new customers, and add potential new premium portfolios from the existing accounts;
2. increasing the number of Active Members per Eligible Member (i.e. Eligible Member penetration), as banks increase marketing, member engagement and the natural demand for our core services increases post-COVID 19; and
3. growing repeat use by members as our proposition and service delivery improves, ensuring engaged members stay active over the longer term.

Concierge Revenue by value segment



62% of Ten's concierge corporate revenue is underpinned by Material Contracts with programmes tailored to High or Very High Value customers of the corporate partners. For these segments, banks and brands tend to promote the service to drive engagement and the resulting customer profitability. They understand the benefits of member engagement levels including the potential for it to contribute to their bottom-line. Members in this segment are either affluent or wealthy and have the propensity, compared the Medium Value segment, to use the service (for luxury holidays/ premium travel, premium dining and expensive live entertainment) more frequently and have more complex requests that are generally well served by our expert Lifestyle Managers.

This Medium Value segment is important as it ensures that Ten has a global presence in key markets for reach and scale benefits, including regions with relatively lower average GDP per capita.

Corporate clients typically promote Ten's service proposition as part of their customer acquisition plans and members' propensity to use the service is typically more digital and for rarer, special occasions. By providing a concierge proposition to this segment, clients can go-to-market quickly, whilst having the opportunity to evaluate the benefits and value of the service. Increasingly, banks are interested in upgrading the proposition for their customers to differentiate, leading to deeper partnership opportunities between the Group, the payment network providers and the banks.

Looking ahead

We plan to increase our engagement with existing clients to demonstrate the value of our service proposition, target their key metrics to secure new mandates as well as grow the Active Member base from the significant Eligible Member base. We expect that macro factors including the prospect of increase in interest rates, the recovery of social and travel activity following the pandemic and resulting consumer demand will be key considerations of our corporate clients.

We will continue to engage with our strong pipeline of new business in established and new vertical markets and believe the Group is well positioned to secure new mandates as economic certainty returns in each of the regions. Our strong technology and product teams are ready to launch the Ten Digital Platform with new clients in all regions.

Strategy in Action continued

Invest in technology and content

We aim to use technology and content to improve our members' experience and service efficiency and deliver differentiation and commercial impact for our corporate clients.

Our digital transformation and technology investment is focused on the areas of the Ten Digital Platform, TenMAID, content, communications, and other technologies.

£11.5m
Investment in technology, content and communications
(2020: £12.2m)

The Ten Digital Platform

Ten's proprietary digital platform (the "Ten Digital Platform") is established in all three global regions and is now available to members in over 100 countries, supporting over 17 (2020: 15) languages and over 39 (2020: 35) currencies. We believe it is the only global, multi-category transactional lifestyle and travel platform, backed by expert Lifestyle Managers.

The Ten Digital Platform is live with 27 (2020: 22) corporate client brands globally, including 64% of our Material contracts. Corporate clients often pay us to customise the Ten Digital Platform to suit their specific needs and the preferences of their most valued customers, as well as to support their brand, values and customer engagement strategy.

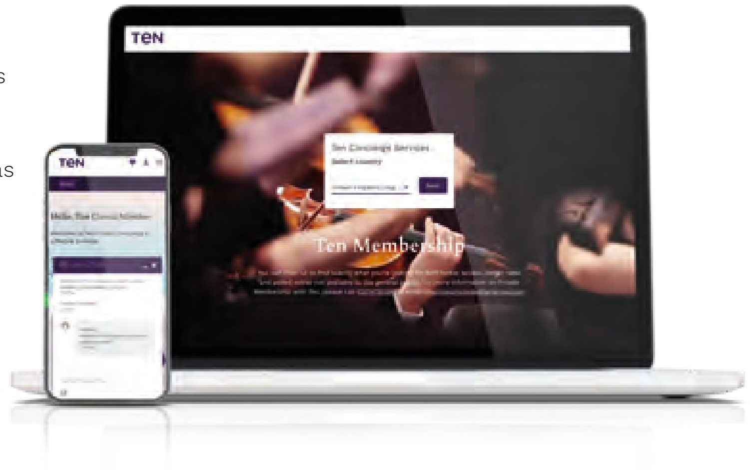
In addition to new platform instance launches for new and existing corporate clients, the team has also ensured that the Ten Digital Platform is well maintained for resilience and security. As part of our product roadmap, we have designed and developed key features to add functionality to the Ten Digital Platform to meet members' needs, as well as improve the overall user experience and accessibility of the platform. Key improvements of the Ten Digital Platform include:

- improved opportunities for members to opt-in to communications and notifications about the service as part of the on-boarding journey on the platform, as described on page pages 17 and 23;
- preference gathering capability as well as Preference as a Service (an external API);
- enhanced filter functionality across multiple modules including travel, dining and offers;
- launch of fare families enabling members to compare and distinguish fare options easily for specific airlines and destinations; and
- simplified offer redemption journey where online codes are available.

In addition to the enhancements on the Ten Digital Platform, we have also launched a number of novel member engagement initiatives including:

- introduction of a concierge chatbot in Latin America. The chatbot is built on Google Dialogflow technology and is designed to respond to over 40 frequently asked questions in English, Spanish and Portuguese;
- launch of a referral programme in key markets in the Americas; and
- development of a points redemption API, allowing members to redeem points (in full or partially together with cash) to pay for any concierge transactions.

We retained our PCI DSS Level 1 accreditation and SOC Type 2 certification during the year. These require regular, in-depth audits of our payment and data procedures as well as our underlying technology, providing comfort to our corporate clients around our security measures and compliance.



10m
member communications email sent
(2020: 8.2m)

39%
Average open rate of general emails

4x increase
in conversion from our videos promoting events and partners

Content

Our Content team combines creativity and data to reach, influence and resonate with our affluent and high-net-worth members. Staffed by award-winning journalists and creatives, the rich library of custom content is proving invaluable in driving engagement and valued by members and our corporate clients.

Member engagement continues to improve from better personalised and targeted proactive email marketing, meaning members have better access to the services, offers and benefits that they are most interested in.

In 2021, we:

- published 309 new lifestyle and destination guides (2020: 213);
- increased the total number of articles on the Ten Digital Platform by over 25%; and
- created and launched 25 (2020: 3) lifestyle magazine editions across the globe covering dining, travel, wellness, days out, home and interiors, wine and fashion.

← A selection of Ten's lifestyle, destination guides and video content

TenMAID and communications

Ten's proprietary customer relationship management platform ("TenMAID") supports our expert Lifestyle Managers to deliver personalised, high-quality lifestyle and concierge services to our members 24/7/365, wherever they are in the world.

It enables Lifestyle Managers to securely access the member's profile and search Ten's entire inventory to fulfil the member's request efficiently, the success of which we believe is reflected in our year-on-year record Net Promoter Scores (NPSs).

As part of our digital transformation, we also integrated a communications platform with TenMAID and the Ten Digital Platform to enable members to access our expert Lifestyle Managers by phone, email, webchat and WhatsApp. This includes bullseye routing which automatically directs the members to the most appropriate Lifestyle Manager based on the member's profile and other logic points.

In the year, we've continued to make improvements in TenMAID including further automation of operational tasks and improved bullseye routing accuracy and member search capabilities and usability. These developments contribute to operational efficiencies and ultimately member satisfaction.

Automation

We continued to increase levels of automation when handling member service requests, including fully automated request fulfilment. For example, we grew direct online bookings through the use of application programming interfaces (APIs) with supplier partners and aggregators on the Ten Digital Platform, including reservations at venues in our portfolio of Held Tables at top restaurants. We also fulfil requests using partly automated operations. In 2021, we had a 74% increase in the number of fully automated requests.

Over 70%
of requests serviced using automation

Looking ahead

We expect to continue to invest in our technology and content in line with the needs of our corporate clients' digital transformation and customer experience strategies whilst reaping the internal efficiency benefits contributing to the profitability of the business.

Market Opportunity

Stronger member proposition, satisfaction and engagement

Ten's market opportunity is to become the best way for affluent and high-net-worth consumers to organise a broad range of their lifestyle and travel needs and increase Ten's share of its addressable segments in the dining, travel and tourism, entertainment and premium retail markets. The global population in these markets is expected to grow significantly in the next five years[20].

By developing partnerships with corporate clients, we grow the number of Eligible Members and we increase our ability to leverage the very best access, offers and discounts with supplier partners across the consumer markets. This further enhances our member proposition, underpinned by our expert Lifestyle Managers, the Ten Digital Platform, editorial content and targeted email marketing, which improves our ability to engage these consumers, increasing Active Members and the frequency of use.

Details of how we have developed our member proposition in each of these markets are on pages 24 and 25.

Carlisle Bay Antigua Resort, a new partner added to our Global Hotel Collection in 2021

Travel and tourism

Expert, "high-touch" travel advice and bespoke holiday packages, with online flights, hotels and car hire booking through the Ten Digital Platform.

Strategy

- Use the combined buying power of our membership to extend the range, value and access available across our core travel propositions, including Ten's Global Hotel Collection (a portfolio of thousands of luxury hotels that offer additional benefits) and Ten's Essential Hotel Collection that offers an average saving of 15%, when compared to publicly available online travel agents.
- Offer better value for money than other travel providers by not relying on service or commission fees.
- Create editorial travel articles and destination guides, showcasing offers and expert knowledge to our members.
- The travel module of the Ten Digital Platform allows members to search and book flights, hotels and car hire and Lifestyle Managers can provide full-service travel support and bespoke holiday bookings.

Develop and attract travel experts to plan bespoke, once-in-a-lifetime holidays for our members and their families, with best-in-class support.

Market size

$4.6tn

Source: World Travel & Tourism Council: Travel & Tourism Impact 2021 – June 2021.

Odette restaurant, Singapore, a Ten Partner who was awarded 8th in the World's 50 Best Restaurants in 2021

Dining

Dining recommendations from expert Lifestyle Managers and premium access to the best restaurants with online reservations through the Ten Digital Platform.

Strategy

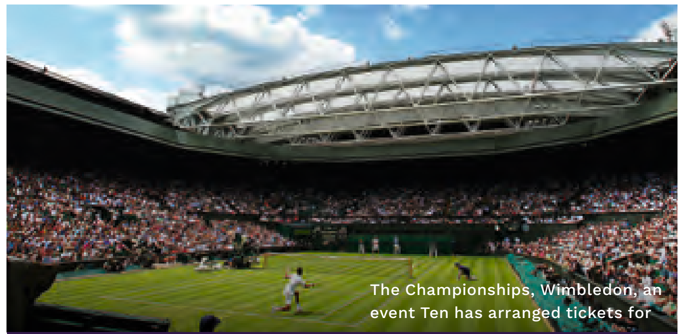
- Expand Held Tables programme, offering preferential access at an increasing number of the world's most popular restaurants.
- Produce high-quality, editorial reviews and restaurant recommendations from the restaurant portfolio.
- Allow members to search using "near me" functionality, make reservations on the dining module of the Ten Digital Platform and access recommendations through personalised emails or direct from Lifestyle Managers.
- Publish a cookbook, "Cook", and guide members to restaurant quality food deliveries, virtual cooking and cocktail masterclasses.

Leverage HNWI and mass affluent membership, long-term relationships, in-house expertise and reputation to secure access to the best restaurants, with premium offers and Held Tables at peak times.

Market size

$2.3tn

Source: Food Service Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026.



The Championships, Wimbledon, an event Ten has arranged tickets for

Entertainment

Expert sports, theatre, music and at-home entertainment news, recommendations and access to face-value (or better) tickets with online bookings through the Ten Digital Platform.

Strategy

- Expand partnerships with ticketing platforms, providers and promoters to secure access, pre-sale, offers and face-value tickets to the most sought-after events.
- Entertainment newsletters allow members to discover entertainment and events to which they have advance, exclusive or discounted access.
- Personalised, pre-sale notifications allow members to secure tickets to their favourite events with our Lifestyle Managers or by booking directly on the entertainment module of the Ten Digital Platform.
- Create and source at-home entertainment and produce guides to be available online and at-home entertainment.

Close relationships with venues and promoters give our members the opportunity to secure must-have tickets to exclusive events.

Market size

$2.2tn

Source: PwC's Global Entertainment & Media Outlook 2021–2025

An original image taken during filming with Ten partner Huntsman Savile Row

Premium retail

Exclusive or premium offers and access to high-end and desirable retailers, products and events, with online redeemable offers and event bookings through the Ten Digital Platform.

Strategy

- Increase the number of offers with hundreds of premium and emerging retail brands, available to buy or redeem on the Ten Digital Platform.
- Secure premium offers, discounts and benefits with high-end brands backed by members' higher than usual spending habits.
- Use personalised email marketing to promote relevant offers to members, with editorial guides, offers or events.
- Allow members to search, browse and redeem available discounts on the offers and events module of the Ten Digital Platform.
- Organise complementary member-only in-person and virtual events in partnership with premium retailers.

Source rare and exclusive luxury goods for our members.

Market size

$0.3tn

Source: In-depth: Luxury Goods 2021 Statista Consumer Market Outlook

20 The global population of mass affluent households (households with income of over US$0.1m) is expected to grow by 45% in the next five years, while the number of HNWIs (someone with a net worth of over US$1m including their primary residence) is forecast to rise by 41% and the number of UHNWIs (someone with a net worth of over US$30m including their primary residence) by 27% (Source: Knight Frank Wealth Sizing Model, Oxford Economics).

Financial Review

Maintained Adjusted EBITDA profitability despite continuing impact of the pandemic

Alan Donald
Chief Financial Officer

Net Revenue
£m
£34.7m
(2020: £44.2m)
-21.6%

Adjusted EBITDA margin
%
12.8%
(2020: £10.8%)
+2.0%

We continued to experience challenging conditions as the impact of the pandemic during the year reduced our Net Revenue by 21.6% to £34.7m (2020: £44.2m). However, continued cost actions and operational efficiencies ensured we again achieved Adjusted EBITDA profitability of £4.4m (2020: £4.8m) with an improved Adjusted EBITDA margin of 12.8% (2020: 10.8%)

	2021 £m	2020 £m
Revenue	**35.1**	46.4
Net Revenue	**34.7**	44.2
Operating expenses and other income	**(30.3)**	(39.4)
Adjusted EBITDA	**4.4**	4.8
Adjusted EBITDA %	**12.8%**	10.8%
Depreciation	**(3.2)**	(4.4)
Amortisation	**(4.0)**	(3.4)
Share-based payments expense	**(1.6)**	(1.5)
Exceptional items	**(0.6)**	(0.4)
Operating loss before interest and tax	**(5.0)**	(4.9)
Net finance (expense)	**(0.5)**	(1.0)
Loss before taxation	**(5.5)**	(5.9)
Taxation	**(0.2)**	(1.0)
Loss for the period	**(5.7)**	(6.9)
Net cash	**6.7**	10.0

Adjusted EBITDA

Whilst Adjusted EBITDA is not a statutory measure, the Board believes it is appropriate to include this as an additional metric as it is one of the main measures of performance used by the Board. It reflects the underlying profitability of our business operations, excluding amortisation of investment in platform infrastructures, exceptional charges and share-based payment expenses.

Revenue and Net Revenue

Net Revenue[21] for the twelve months to 31 August 2021 was £34.7m, down 21.6% compared to the prior year. Revenue for the twelve months to 31 August 2021 was £35.1m, down 24.4% on the twelve months to 31 August 2020. Net Revenue, which excludes the direct cost of sales relating to member transactions managed by the Group, is Ten's preferred measure of operating revenue as it excludes the cost of member transactions where Ten is the principal service provider (i.e. cost of airline tickets packaged with hotels under the Group's ATOL licences).

21 Net Revenue excludes the direct cost of sales relating to certain member transactions managed by the Group.

The reduction in Net Revenue of 21.6% was principally due to the impact of the COVID-19 pandemic. Whilst we continued to remain relevant to our clients and members throughout the year by continuing to offer relevant services including virtual events and home delivery management, this did not fully compensate for lower activity across our main service categories of travel, dining and entertainment due to the various lockdown measures instigated across all regions.

Our corporate revenue (paid by our corporate clients to service their customers) decreased year on year by 22.1%, whilst our supplier revenue (predominantly travel related) reduced by 15.2% against prior year and by 49.8% against FY 2019 (pre-COVID-19). Note, some of our corporate contracts have a guaranteed minimum which helped support the activities we provided throughout the year. The lower reduction in supplier revenue was due to travel activity starting to pick up in the last quarter of the year as travel restrictions eased across many countries. The table below sets out analysis of H1 and H2 and demonstrates the recovery in supplier revenue from H2 2020 onwards (note, H1 2020 is prior to the impact of the pandemic).

	H1 2021 (unaudited)	**H2 2021 (unaudited)**	**FY 2021**	H1 2020 (unaudited)	H2 2020 (unaudited)	FY 2020
Supplier revenue	**£0.9m**	**£1.9m**	**£2.8m**	£2.5m	£0.8m	£3.3m
Percentage of Net revenue	**5.1%**	**10.8%**	**8.0%**	10.7%	3.4%	7.4%

Contract analysis

The following tables set out an analysis of our contracts by size and by region. We have analysed only our Material Contracts. Note, the contract size is based on the annualised value paid or expected to be paid by the corporate client for the provision of concierge and related services by Ten. This does not include the revenue generated from suppliers through the provision of these concierge services.

Contracts by size	**2021**	2020	Change
Extra Large	**3**	3	—
Large	**5**	6	-1
Medium	**16**	14	+2
	24	23	+1

Contract by region	**2021**	2020	Change
EMEA	**8**	8	—
Americas	**10**	10	—
APAC	**5**	4	+1
Global	**1**	1	—
	24	23	+1

During the year we won and launched two Medium contracts, one Large contract transitioned from a Large corporate to a Small affiliate contract model. We also won a Large contract, which launched in September 2021, after year end (and so is not included in the tables above), whereby Ten took over from an existing in-house concierge service and external travel service provider. This is an example of a contract with an existing "run rate" meaning corporate revenue ramps-up more quickly than a contract for the launch of an entirely new service.

Regional analysis

While there is a clear overlap between the geographic location of our clients and their members' requests, members use our concierge services across all the regions. Net Revenue by region reflects our servicing location rather than the location of our corporate clients. This allows us to track the efficiency and profitability of our operations around the world, and is therefore presented on this basis.

Net Revenue	**2021 £m**	2020 £m	% change
EMEA	**18.1**	22.0	-18%
Americas	**9.9**	13.8	-28%
APAC	**6.7**	8.5	-21%
	34.7	44.2	-21.6%

In **EMEA** Net Revenue decreased by 18% due primarily to the pandemic impacting both corporate and supplier revenue. In addition, as previously reported we lost a Large contract which transitioned from a corporate to an affiliate contract model from September 2020 and, partially offsetting this loss, won a Medium contract during the year. Supplier revenue started to recover in the last quarter of the year as travel restrictions were gradually lifted in the region.

In the **Americas**, Net Revenue reduced by 28% and in **APAC** Net Revenue reduced by 21% again due to the impact of the pandemic on both concierge revenue and supplier commissions in the regions. A Medium contract was won and launched in APAC during the year.

Operating expenses and other income

Operating expenses and other income reduced by £9.1m to £30.3m (2020: £39.4m).

As our business model has developed, we benefited from cost reduction actions which helped offset the impact of the pandemic. These actions included, but are not limited to:

- ongoing improvements in operational efficiency due to more developed technology and content and a more mature supplier base;
- successful renegotiation with suppliers where operationally it made sense;
- a review of projects to focus on the most strategic core investments (including development of our core technology platform, where we continue to invest);
- a freeze on employee bonuses and salary increases together with some redundancies;
- voluntary Salary Sacrifice Scheme in exchange for share options (£1.2m (2019: £0.9m);
- use of various countries', COVID-19 government support schemes (e.g. furlough and Kurzarbeit) which totalled £2m (2020: £1.6m); and
- US Payroll Protection Program (US PPP) loan of £1m fully forgiven in the second half of the year.

Average headcount in the year has decreased to 824 (2020: 970), due to actions taken to manage our cost base as a result of the reduced activity in the year.

Note, all Group property leases are short to medium term or have appropriate break clauses incorporated, allowing flexibility when assessing space requirements across the world, especially in the current and future working environment.

Financial Review continued

Regional Adjusted EBITDA

Adjusted EBITDA is after expenses, other than deprecation of £3.2m (2020: £4.4m), amortisation of £4.0m (2020: £3.4m), and share-based payment and exceptional items expenses of £2.2m (2020: £1.9m). On this basis, Adjusted EBITDA was £4.4m (2020: £4.8m).

After allocating the costs of central IT infrastructure, software development, property, senior management and other central costs, the Adjusted EBITDA for each region is set out below:

Adjusted EBITDA pre-IFRS 16	2021 £m	2020 £m
EMEA	6.1	8.2
Americas	(2.2)	(3.9)
APAC	0.5	0.4
Total	**4.4**	4.8
Adjusted EBITDA %	**12.8%**	10.8%

EMEA

Adjusted EBITDA of £6.1m (2020: £8.2m) is a reduction year on year of £2.1m. However, Adjusted EBITDA margin, defined as Adjusted EBITDA as a percentage of Net Revenue, only decreased by 3.5% to 33.8% as a result of operational efficiencies and the various cost actions taken.

Americas

The Americas region Adjusted EBITDA loss has decreased by £1.7m to £(2.2)m (2020: £(3.9)m). This improvement is despite lower Net Revenue and is principally driven by cost actions and operational efficiencies implemented including full forgiveness of the US PPP loan of £1m taken out in the prior year which was used to predominantly pay for salary costs through the period.

APAC

The APAC region Adjusted EBITDA of £0.5m (2020: £0.4m) has improved in the year by £0.1m . The improved performance has also been driven by operational efficiencies as well as cost saving measures.

Amortisation

Amortisation costs, relating to the internal platform (TenMAID) and the customer-facing platforms, were £4.0m in 2021 (2020: £3.4m) reflecting continued investment in technology to drive improvements in service levels, efficiency and competitive advantage.

Net finance (expense)/income

Net finance expense in the year was £0.5m (2020: £1.0m); the expense included IFRS 16 lease interest expense of £0.4m as well as foreign exchange losses on the translation of inter-company balances in the year.

Share-based payments

The share-based payments expense in the year was £1.6m (2020: £1.5m). These related to share based payments expense reflecting share grants made under management incentive plans and also three salary sacrifice share option schemes implemented during the year (see note 27).

Exceptional items expense

The exceptional items expense of £0.6m (2020: £0.4m) was an impairment expense following a review of a database previously capitalised of £0.4m where a specific portion of this was less likely to generate future economic benefits due to the fall-out from the COVID-19 pandemic. In addition, there were some exceptional project costs incurred during the year of £0.2m.

Loss before tax

The loss before tax improved to £(5.5)m from £(5.9)m in 2020.

Taxation

The taxation expense for the year was £0.2m (2020: £1.0m) which related to tax liabilities and payments due to overseas entities recording a statutory profit.

Loss per share

The total comprehensive loss for the year was £(5.8)m (2020: £(6.9)m), resulting in a loss per share (excluding treasury shares) of 7.2p (2020: loss per share of 8.6p). The Board does not recommend the payment of a dividend.

Group cash flow

	2021 £m	2020 £m
Loss before tax	(5.5)	(5.9)
Net finance expense	0.5	0.5
Working capital changes	0.7	2.9
Non-cash items (e.g. share-based payments, depreciation and amortisation charges)	8.3	9.7
Operating cash flow	4.0	7.2
Capital expenditure	(0.2)	(0.2)
Investment in intangibles	(5.4)	(5.3)
Taxation	(0.5)	(0.1)
Cash (outflow)/inflow	(2.1)	1.5
Cash flows from financing activities		
Receipts on exercise of options	0.9	—
Loan receipts	—	1.0
Repayment of leases and net interest	(2.9)	(3.6)
Net cash used by financing activities	(2.0)	(2.6)
Foreign currency movements	(0.2)	(0.3)
Net decrease in cash and cash equivalents	(4.3)	(1.4)
Cash and cash equivalents	6.7	11.0

Cash generated by operations was £4.0m (2020: £7.2m). The cash generated in the year has been achieved by continuing operational efficiencies and cost saving actions taken across the business. Non-cash items in the year of £8.3m included the increased amortisation charges, offset by the US PP loan forgiveness and a reduction in depreciation charge relating to IFRS 16 Right-of-Use assets as we downsized or terminated property leases across the Group. The expenditure that was capitalised on IT infrastructure, the Ten Digital Platform and TenMAID totalled £5.3m as we continue to invest in our technology. Cash inflow of £0.9m was generated from share options exercised by employees. Net cash used in financing activities is primarily due to IFRS 16 lease payments and interest of £2.9m. This has led to an overall decrease in cash of £4.3m during the year.

Following the end of the period, a number of individuals chose to exercise and sell a total of 1,510,860 options received pursuant to the First Salary Sacrifice Scheme. The Company received £1.06m of cash from the exercise of these options.

Group balance sheet

Summary balance sheet	2021 £m	2020 £m
Intangible assets	11.6	10.5
Property, plant and equipment	0.6	1.1
Right-of-use assets	2.6	5.1
Cash	6.7	11.0
Other current assets	5.8	7.0
Lease liabilities	(1.5)	(3.3)
Current liabilities	(12.2)	(12.5)
Long-term borrowings	—	(1.0)
Other non-current liabilities	(1.7)	(2.7)
Net assets	**11.9**	15.2
Share capital/share premium	29.4	28.6
Reserves	(17.5)	(13.4)
Total equity	**11.9**	15.2

Net assets were £11.9m (2020: £15.2m). The reduction in the year is principally due to a reduction in cash of £4.3m as we continued to invest in our technology and support our operations. Right-of-use assets of £2.6m (2020: £5.1m) reduced together with corresponding lease liabilities of £1.5m (2020: £3.3m) as we downsized our office capacity and costs across all regions. Long-term borrowings of £nil (2020: £1.0m) related to the US PPP loan which was fully forgiven in the second half of the year.

Key Financial Performance Indicators (KFPIs)

Management accounts are prepared on a monthly basis and include KPIs covering revenue, Adjusted EBITDA, Adjusted EBITDA margin, cash balances and Material Contracts, and are measured against both the Group's budget and the previous years' actual results. The KFPIs for the year are:

	2021	2020	2019	2018
Net Revenue (£m)	34.7	44.2	45.8	37.4
Corporate (£m)	31.9	40.9	40.3	32.9
Supplier (£m)	2.8	3.3	5.5	4.5
Net Revenue growth (%)	(21.6%)	(3.5%)	23.0%	13.0%
Adjusted EBITDA (Pre-IFRS 16)	—	—	(3.3)	(3.2)
Adjusted EBITDA	4.4	4.8	—	—
Adjusted EBITDA margin (Pre-IFRS 16) (%)	—	—	(7.2%)	(8.6%)
Adjusted EBITDA margin (%)	12.8%	10.8%	—	—
Net Cash (£m)	6.7	10.0	12.3	20.7
Material Contracts	24	23	24	24

Each month the Board assesses the performance of the Group based on these KFPIs, operational performance indicators, including the number of Active Members, as described on page 17, sales performance, client development, technology updates. The Group's performance against its KFPIs has been impacted by the effects of COVID-19 on the business, as described above.

Going concern

The impact of COVID-19 on Ten's business still warrants focus and real-time management. Net Revenue since the year end has been in line with our expectations as the COVID-19 pandemic continues to have some impact. It is not yet fully clear when global economic activity in travel and hospitality will recover to pre-pandemic levels, and whilst we have already seen some recovery in travel we must prepare the business for varying levels of revenue. To that end, we have modelled the effects of differing levels of revenue along with the measures we can take to ensure that the Group remains within its available working capital, and we have prepared cash flow forecasts for a period in excess of twelve months.

The Group has set its budget for FY22 but we recognise that there is a risk that the Group will continue to be impacted by reductions in the number of member engagements and by prospective corporate clients delaying launches. If revenue is not in line with cash flow forecasts, the Directors have identified cost savings associated with the reduction in revenue and can identify further cost savings if necessary.

The Directors have no reason to believe that corporate revenue and receipts will decline to the point that the Group no longer has sufficient resources to fund its operations. However, in the unlikely event that this should occur, the Group will continue to manage its working capital position, as well as making significant reductions in its fixed cost expenses.

Post Year End contract events

In September, the Group launched a Large contract with Credit Saison, a leading credit card issuer in Japan making Ten's concierge and lifestyle services, including Ten's proprietary Digital Platform, available to many of the client's premium cardholders.

The expansion of an Extra Large contract with a corporate client in EMEA towards the end of 2021 has resulted in an increased rate of member engagement, NPS and requests via the Ten Digital Platform; a key success metric for the corporate client.

Since the year end, the Group has also won and renewed contracts with new and existing corporate clients, including:

- a multiple-year renewal of its Medium contract with Barclays Bank UK plc with a mandate to move the service to an 'on-sale' banking product with a larger customer base, which will grow revenue;
- a second contract with DNB Bank ASA to take over the provision of concierge services to selected Private Banking customers and launch its digital services in the spring; and
- a contract to deliver Content services for an existing major global financial services client to increase customer engagement with Ten's digitally enabled concierge service and with the client's customer proposition more generally.

Alan Donald
Chief Financial Officer
23 November 2021

Risk Management

Managing our risk

The Board considers the risks set out below to be the principal risks to the Group's business. The risks facing the Group are monitored and mitigated using a risk management and internal control framework, as further described on page 45 of the Corporate Governance Statement and page 49 of the Audit and Risk Committee Report.

The Board recognises that the nature and scope of risks can change and there may be other risks to which the Group is exposed so the list is not intended to be exhaustive.

	Potential impacts	Mitigation	Change in 2021 and more information
Macroeconomic/market			
Global or regional pandemic	As demonstrated over the past 18 months, the travel, dining and live entertainment markets are at risk of disruption from a global pandemic and the resulting public health mitigations. This impacts member requests in Ten's core service categories.	Member-first, multi-channel model and adaptable member propositions maintain a viable offering. Proven capability for remote working for most roles for extended periods. Business Continuity Management processes have been proven to operate effectively, including office improvements to enable the safe return of our people. Short leases provide the ability to flex office space in the medium term. Corporate client contract minimums and prudent cost management have allowed the Group to maintain net cash levels, enabling the business to continue to operate through a period of sustained disruption.	Service and operational adaptations designed to respond to local public health policies. Read more about how member proposition has been developed on on pages 24 and 25.
Global economic and political factors	The Group has operations across over 20 locations globally and is subject to a wide range of legislation and regulation, requiring close monitoring. Compliance can increase operating complexity and cost, with non-compliance risking financial penalties, legal costs and reputational damage. Changes to employment, travel and other regulations as a result of Brexit can create uncertainties.	Since opening its first overseas office in 2006, Ten has developed a robust compliance process, managed by experienced personnel, to ensure its operations comply with relevant laws and regulations, with the support of in-house counsel and panel of locally-engaged advisers. The Group remains vigilant for the potential impacts of Brexit on the business. These are currently not deemed to have a significant impact due to the nature and locations of the Group's operations.	The Group's global footprint is largely unchanged in the period. Our area regional analysis is set out on page 9 and details of our global markets on pages 24 and 25.

	Potential impacts	Mitigation	Change in 2021 and more information
Macroeconomic/market continued			
Recruitment and retention of talent	The current and future success of the business is reliant on the successful recruitment, development and retention of committed and skilled employees. Lengthy cost saving measures, including an employee loyalty scheme freeze, and changes in the recruitment market could result in the loss of talent, which could impact the Group's ability to execute its strategic plans.	Annual employee satisfaction is monitored, with actions implemented to address concerns and dissatisfaction. There has been increased focus on our colleagues' mental health and engagement to reflect the change in working patterns during the pandemic, including furloughing and remote working. The Group graduated 26 talented employees through its Management Training Scheme during the period, identifying current and future leaders.	Increased risk of losing talent and cost of recruiting during the pandemic and changes to the recruitment market as key markets recover. Read more about our people on page 35.
Operational			
Corporate client contracts	The majority of the Group's Net Revenue comes from contracts with corporate clients. Failure to secure and renew such contracts on profitable terms and comply with contract terms, including service level requirements, would result in reduced revenue and profitability and/or a negative impact on delivering the Group's strategic objectives.	The Group retained all of the corporate client contracts that came up for renewal during the period and secured some new mandates from corporate clients, despite the market being subdued due to COVID-19. These wins are possible due to Ten's market-leading digitally enabled service. The Group's client services team works with key client contacts on an almost daily basis and delivers data-driven reporting to monitor compliance with service levels and illustrate the return on the client's investment into Ten's services.	The continued effects of the pandemic on the budgets of existing and new corporate clients impacted contract expansion, although key contracts have been retained and renewed in the period. Read more about our corporate clients on pages 20 and 21.
Supplier relationships	The Group engages suppliers to support central business services, including office space, IT infrastructure, technology platforms, payment services, and telephony, as well as a wide range of third-party suppliers of goods and/or services, including providers of: travel, tickets, dining and retail. Underperforming suppliers without the availability of suitable replacements may result in loss of functionality and service levels.	The Group maintains robust commercial and contractual relations with all critical suppliers and the business is clear on which alternative suppliers there are in the market should a change be required. The Group's tested recovery protocol also plans for the loss of key suppliers on the Group's infrastructure. Initial and regular due diligence checks are conducted on key suppliers to test their creditworthiness as well as contract and regulatory compliance.	No change. Details of our service-related revenue and supplier relationship strategy are set out on pages 14 to 17.

Risk Management continued

	Potential impacts	Mitigation	Change in 2021 and more information
Technology			
Digital strategy	The Group's digital transformation and focus on enhancing its member proposition makes it reliant on the performance of its proprietary Ten Digital Platform and TenMAID as well as telephony and other digital elements of its operational infrastructure. Underperformance or loss of access to these systems may result in significant disruption to operations and could result in regulatory fines, as well as an adverse impact on the Group's reputation and financial performance and create contractual risk.	The Group's continued investment into its digital strategy is integral to the future performance of the business. The Board demonstrates continued commitment to IT investment underpinning the Group's operations and data management, enhancing its cyber security defences. Robust back-up and recovery processes and procedures are in place to minimise any disruption to services.	The prevalence of remote working during the pandemic increased the risk of localised service interruptions and cyber security. Read more about our investment into technology on pages 22 and 23.
Data privacy, security and cyber security	The increased digitalisation of the Group's service results in gathering large amounts of data, which requires safeguards to protect our members' data and to comply with relevant privacy regulations, including GDPR. The digital operations of the business leverage significant online technology, exposing the business to a variety of cyber threats including denial of service attacks, hacking or malware that may result in compromise of the availability, confidentiality or integrity of members' data. A failure to prevent, mitigate or detect security breaches or improper access to data, or non-compliance with privacy regulations could result in disruption to the service and contractual risk.	The Group continues to invest in what the Board believes to be "best-in-class" security software and processes. The Group is Payment Card Industry Data Security Standard Level 1 (PCI DSS) certified. During the period, the Group has also been successfully certified as SOC Type 2 compliant. PCI DSS and SOC Type 2 audits are conducted by independent external auditors each year and augment the other checks that are run by the Group and by our other corporate clients. The Group has also implemented a software solution that makes it easier to record and update member preferences.	Despite the Group's continued mitigation efforts, the risk of a cyber security attack for all companies continues to increase. This risk has been additionally impacted by the increase of a remote workforce during the pandemic. We continue to monitor (including external testing) and enhance cyber security where possible. Read more about our investment into technology on pages 22 and 23.

	Potential impacts	Mitigation	Change in 2021 and more information
Technology continued			
Financial resources	Risks to the Group's financial resources, including a sustained drop in revenue, could mean that the Group will have insufficient funds to meet its financial obligations as they fall due. The Group's international footprint means that its profits are exposed to translation exchange risk.	The Group's well-established and responsive financial planning process enables financial modelling against multiple scenarios, enabling the Group to forecast its ongoing liquidity requirements. Prudent cost management and other measures have enabled the Group to maintain a net cash position despite a fall in Net Revenue due to COVID-19. The Group monitors its foreign currency sensitivity and acts to mitigate its effects on the Group's performance through leveraging natural hedging and local companies trading in its functional currency.	The prolonged effects of COVID-19 have impacted the Group's financial resources. Mitigating actions have been taken. Read more about the Financial Review on pages 26 to 29.
Competition and emerging technologies	The Group operates in a highly competitive market with the potential for emerging new technologies and service innovations. The Group is also subject to competitive pricing models which have the potential to adversely affect the Group's business, operations and financial condition.	The Directors believe that the Ten Digital Platform is the market-leading omnichannel concierge platform with end-to-end transaction capability and is key to the Group's market share and competitive advantage. The Group continues to invest in its proprietary technology and key third-party supplier relationships to maintain this competitive advantage. Price pressures can result in downward pressure on gross margins and the risk that the Group's propositions are not considered to represent value for money. The Group therefore monitors market prices on an ongoing basis.	Continued investment mitigates risk. Read about how our strategies strengthen our competitive advantage on pages 18 and 19.

Responsible Business

Committed to building a sustainable business

Members of the Ten Travel Team based in London

Our ambition is to become the world's most trusted service by growing a responsible, member-focused and pioneering business.

We are committed to building a sustainable business for the long term by minimising the Group's impact on the environment, caring for its people and communities and promoting ethical governance.

We are proud of the progress made since IPO in 2017 to enhance the Group's ESG performance but the Board recognises that more can be done. It has therefore appointed Non-Executive Director Jules Pancholi to chair an ESG Working Group for the implementation of a robust ESG strategy, building on existing strong foundations to target, promote and monitor meaningful change.

Governance for sustainable growth

The Board is committed to adopting the highest standards of corporate governance and operating with high ethical standards. Key to this is considering the needs of its stakeholders in the decisions that it makes. Further details of the Board's engagement with stakeholders are set out on pages 38 to 40.

The ESG Programme

The Board retains oversight of the ESG Programme, with the Audit and Risk Committee tasked with assessing the relevant risks, including risks from climate change. This year, the Board set-up the ESG Working Group for the implementation of the ESG Programme, which will ensure that the principles of governance are woven into the fabric of the business.

Board independence, composition and diversity

The Board is comprised of four Executive Directors, the Non-Executive Chairman, and a further two independent Non-Executive Directors (41% independent Directors). The Board believes that the Directors have an effective blend of financial and public market experience, diversity, skillsets and capabilities, which are monitored by the Nomination Committee, as set out on page 55. In the year, the Board adopted a portal for the secure and digital distribution of Board packs, as well as a platform for the sharing of ideas between meetings.

Business ethics and compliance

Building a culture based on responsibility, sustainability and integrity is essential to the long-term success as a Group. The Group's relevant policies are reviewed annually and are incorporated into periodical training and evaluation.

Whistleblowing Policy

The Group's Whistleblowing Policy sets out the process by which any employee of the Group may, in confidence, report concerns about possible wrongdoings in financial reporting or other matters to the Whistleblowing Officer.

Anti-bribery and Corruption Policy

The Group's Anti-bribery and Corruption Policy applies to all employees of the Group and sets out the Group's zero-tolerance position on bribery and corruption as well as providing guidance on how to recognise and deal with bribery and corruption issues and the potential consequences.

Modern Slavery Policy

The Group has a zero-tolerance approach to modern slavery anywhere in its supply chain and a full copy of its policy is available on its website.

Caring for our people and communities

Ten's passionate and hard-working culture is focused on contributing to the experiences of our members and creating value for our clients as well as enriching the lives of our colleagues and their communities.

Equality, diversity and inclusion (EDI)

The Group's success is underpinned by a diverse and talented team based in over 20 cities worldwide, with a wide range of skills, backgrounds and perspectives – a highly valued attribute of the business. We are therefore committed to delivering an EDI Programme that empowers our people to oppose discrimination, be included in the conversation and ensure equality of opportunity. The expanded internal Communications function has increased the range, frequency and quality of internal communications to promote initiatives such as Religious Awareness, Age, Ethnic and Cultural Diversity and Mental Health Awareness, alongside an Inclusion Project that focuses on ensuring that all routine, day-to-day communications are delivered to employees in their native languages. We will continue to survey our teams on a voluntary basis to allow us to track the performance of the EDI Programme.

Developing leaders

The Group is proud of its track record of developing talent. This is backed by the Global Leadership Programme, a twelve-month months internal development programme aimed at developing the Group's future leaders and personal development skills. This year, 26 employees graduated from the scheme from eight countries within the Group and we will continue to support the personal development of our future leaders.

Employee wellbeing

Maintaining the Group's culture during a lengthy period of professional and personal challenges because of COVID-19 is a source of pride for the Group and the Board believes it is a key differentiator in the market. This is, in part, a result of the Group's focus on the wellbeing of its employees and creating a positive environment that empowers its people to be themselves.

In the year, the Group has implemented a new Remote Working Policy, as we will continue to support employees to choose a work and personal life balance.

Investing in the working environment

Policies and procedures comply with relevant local safety, health and welfare at work legislation, as appropriate. The Group continues to invest in quality, well-situated office spaces fitted to high standards, globally, in order to provide the best working environment. As some of our offices have reopened following local COVID-19 working from home measures, we have relocated or reconfigured office spaces to best suit local needs. While our people are working from home, we conduct workstation assessments to ensure that health standards are met.

Retention

The Group has continued to reduce its levels of full-time equivalent (FTE) employees in the year in response to regional growth rates, improved efficiencies and regional cost optimisation. Over 100 employees participated in the Salary Sacrifice Scheme in the year, run as part of COVID-19 cost saving measures, giving them a stake in the future success of the business. The Group also operates share option schemes which continues to incentivise and retain senior and specialist staff, further described on pages 52 and 53.

Ethical supply chains

Maintaining trusted, sustainable partnerships with robust suppliers is integral to the Group's operations and member proposition. We are therefore expanding our supplier due diligence and audit programmes to ensure they understand our needs and the needs of our corporate clients as well as our members. We will also remain committed to fair payment terms, practices, policies and performance.

Responsible Business continued

Reducing our impact on the environment

In the year of the 2021 United Nations Climate Change Conference (COP26), the Board recognises more than ever the need to act to avoid the long-term environmental effects of climate change and the associated impact on societal wellbeing. The Board is committed to evolving the Group's business practices to reduce its direct and indirect impacts on the environment.

Climate

Climate change poses both challenges and opportunities for our business and climate-related risks are included in our risk management framework. For the first time, we have partially adopted the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, as applicable to our business, on a voluntary basis.

We provide details below of the progress we have made in strengthening our climate change governance, risk management and strategy processes, as well as our plans to add to our TCFD-relevant metrics in the next financial year.

Governance	Strategy	Risk management	Metrics and targets
▪ Management and oversight of climate-related risk is integrated into the Group's robust governance framework, overseen by the Board, that considers broader ESG matters in line with duties included in the QCA Code and Section 172, as shown on pages 38 to 40. ▪ The Audit and Risk Committee will assess the climate-related risk in accordance with the risk management framework described on page 49. ▪ The ESG Working Group is chaired by Non-Executive Director Jules Pancholi and includes representatives from key management and functional roles with expertise in risk, strategic planning and compliance. Responsible for driving forward the technical work required of the TCFD, it provides relevant updates to ensure that the Board is informed about climate-related issues.	▪ The Group's management of climate-related risks is being developed by the ESG Working Group as part of the ESG Programme, which outlines our ambitions to reduce the Group's direct and indirect impacts on the environment. ▪ Climate change poses risks to the business by increasing the likelihood and severity of macroeconomic and natural crises, increasing the cost and availability of our core service categories and changing member behaviours. ▪ We recognise the responsibility of the service to adapt to the changing environment and the opportunities arising from remaining relevant to our members and enabling their informed decisions that can impact the environment. ▪ This year, we have developed sustainable features within our content, including our digital magazines and social media, promoting the expansion of non-travel lifestyle services such as gift guides, book clubs and virtual masterclasses.	▪ Risks are usually first identified and understood at a regional level and then consolidated and reported to the Audit and Risk Committee to assess and make recommendations to the Board. ▪ Supply chain disruption caused by climate-related risk is likely to increase the potential supplier risk, including potential for shifts in supply and demand for certain products. ▪ Changing weather patterns and an increase in natural and macroeconomic crises will increase the risk of operational distribution, requiring additional business continuity planning. ▪ Shifts in member preferences and behaviours as a result of climate-related changes to society pose a competitive and member proposition challenge to adapt and positively influence our members' needs. ▪ Climate change is widely recognised as a critical issue by the majority of our members, corporate clients, shareholders and employees so it is important for the Group's reputation with our stakeholders to address climate-related risks and opportunities.	▪ This is our second year of reporting Scope 1, Scope 2 and Scope 3 greenhouse gas emissions in line with the GHG Protocol methodology. ▪ This year, we have expanded the scope of our Scope 2 and Scope 3 analysis to include emissions data from our global non-serviced offices. We will continue to develop our reporting in this area so we can more accurately understand and improve our energy and carbon performance. ▪ We use a carbon footprint and carbon intensity (per £m revenue) metric to measure our energy and carbon performance. ▪ As part of the ESG Programme, the ESG Working Group is developing ways in which we can further develop our climate change targets in line with TCFD recommendations.

Energy and carbon

This is the second year that we are reporting under the Streamlined Energy & Carbon Reporting (SECR) framework. Our SECR covers the energy consumption and greenhouse gas (GHG) emissions for the twelve-month period ended 31 August 2021.

The table below shows the energy and GHG emissions from UK and global business activities involving the purchase of electricity and business mileage in kWh and tCO_2e and the percentage change when compared to prior year.

UK: Greenhouse gas (GHG) emissions and Total energy use (kWh) by Scope

	Kilowatt hours of energy (kWh)		Tonnes of carbon dioxide equivalent (tCO_2e)	
	2021	2020	**2021**	2020
Scope 1 (Direct)	**—**	—	**—**	—
Scope 2 (Energy indirect)	**227,424**	372,294	**48.29**	86.80
Scope 3 (Other indirect)	**147**	930	**0.21**	8.78
Total (all scopes)	**227,571**	373,224	**48.50**	95.58
% change year on year	**-39%**	—	**-49%**	—
Intensity ratios: Per £m of Net Revenue (tCO_2e/£m / MWh/£m)	**6.56**	8.44	**1.40**	2.16

This year, we have expanded the analysis to include the energy and GHG emissions from global business activities involving the purchase of electricity (at the eight non-serviced offices) and business mileage in kWh and tCO_2e, which is set out in the table below.

Global: Greenhouse gas (GHG) emissions and Total energy use (kWh) by Scope

	2021	
	Kilowatt hours of energy (kWh)	Tonnes of carbon dioxide equivalent (tCO_2e)
Scope 1 (Direct)	**—**	**—**
Scope 2 (Energy indirect)	**417,033**	**136.84**
Scope 3 (Other indirect)	**1,372**	**2.12**
Total all scopes	**418,405**	**138.96**
Intensity ratios: Per £m of Net Revenue (tCO_2e/£m / MWh/£m)	**12.06**	**4.00**

We have selected intensity metrics based on the tonnes of CO_2e and the megawatt hours per total £m of Net Revenue. We will use these ratios to monitor our global energy efficiency performance and carbon footprint over time.

The Group's total reported UK emissions and energy use reduced significantly during the period, predominantly as a result of increased utilisation of home working and the reduction in travel caused by COVID-19. However, we expect that relocations to smaller and/or more energy efficient offices will have contributed to reduced emissions levels and energy usage.

The Group has adopted working practices to conserve energy, water and other resources, reducing waste including through the use of specialist recyclers and refurbishing IT equipment. Energy and green building rating scores are considered when selecting office locations. The Group also makes use of online collaboration tools to reduce the need for regional meetings and operates flexible working practices where possible, reducing the environmental impact of business travel and commuting. The positive experience of home working during the COVID-19 pandemic suggests these practices will continue at a higher level after the end of the pandemic.

We recognise that we have the ability to positively influence our members' behaviour, with individual shifts away from carbon-intensive travel and dietary lifestyle choices, particularly among wealthier groups, which is required if we are to avoid dangerous levels of global heating[22]. As well as partnering with low-environmental-impact partners including; sustainable restaurants, and hotels and fair trade brands, we are looking at how we can give more members the option to offset carbon when booking relevant travel. Sustainable choices are promoted to our members through our digital publications, social media and travel campaigns. Central to our long-term ESG strategy is investment in more ESG supportive choices for our members so that we can create a greater impact not just on our emissions but on those created through the consumption of the services we provide.

SECR METHODOLOGY

The figures quoted in Scope 2 (Direct) UK include data from meter readings from the UK office only, whereas Scope 2 (Direct) Global includes all non-serviced offices, which make up eight of the Group's 23 offices worldwide.

The figures quoted in Scope 3 (Direct) UK include refunded business mileage from the UK only, whereas Scope 3 (Direct) Global includes refunded business mileage globally and global air travel by employees during the period.

Conversion factors used are taken from the UK government's GHG Conversion Factors for Company Reporting (2020) to calculate emissions for Scope 2 and 3. Refunded business mileage has been classed as Scope 3 as Ten does not own the assets; emissions from UK Electricity Transmission and Distribution have also been included within this scope. An average CO_2e factor has been applied to the refunded business mileage as individual private vehicle details have not been provided.

22 The Cambridge Sustainability Commission on Scaling Behaviour Change (2021).

Stakeholder Engagement (S. 172)

The Group has a number of stakeholders in the business with sometimes differing needs, all of which need to be understood by the Board and fairly considered when making decisions about the business that may have an impact on them.

“Proactive engagement with corporate clients is key to securing, developing and renewing their business with Ten.”

Shareholders

Hotel Éclat Beijing, a new partner added to the Ten Global Hotel Collection in 2021 ↑

The Board is committed to an open, meaningful dialogue with fair and equal treatment of all shareholders. The CEO and CFO proactively engage with market analysts and institutional shareholders through individual meetings, particularly following publication of the Group’s interim and annual results. The Board receives regular updates on shareholder engagement and analyst commentary and receives updates from the Group’s corporate brokers on investor perception. The CEO and CFO also meet regularly with individual shareholders and present the Group’s results to private shareholders and prospective retail investors, where questions are encouraged and often forthcoming.

In the year, shareholder meetings and investor events have been conducted virtually, with good attendance and positive feedback from shareholders. The Group plans to continue offering virtual attendance, as in-person meetings return, as well as posting informative videos and presentations on the Group’s website (www.tenlifestylegroup.com/investors).

The Annual General Meeting (AGM) is an important part of effective shareholder communication, with all shareholders having the opportunity to hear from the Board and ask questions.

Members

An original image taken at a member-exclusive Pastaio masterclass in February 2020 ↑

The needs of Ten’s members are at the forefront of every decision within the business. Members’ needs and circumstances evolve over time, as demonstrated during the COVID-19 pandemic, when, for a time, most of our members could no longer go abroad on holiday or dine out at their favourite restaurant. Identifying current as well as future needs and being able to respond quickly is critical. A variety of channels and approaches are used to engage with customers, assessing satisfaction and gathering feedback, including through NPS.

For more information about our member proposition see pages 16 and 17.

Under Section 172(1) of the Companies Act 2006, the directors of a company have a duty to promote the success of the company for the benefit of its shareholders and wider stakeholders when making decisions. In doing so, the Board has regard (amongst other matters) to:

a) the likely consequences of any decision in the long term;

b) the interests of the Company’s employees;

c) the need to foster the Company’s business relationships with suppliers, customers and others;

d) the impact of the Company’s operations on the community and the environment;

e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

f) the need to act fairly as between members of the Company.

Here is a summary of how the Board engages with some of the Group’s main stakeholder groups:

The disclosures set out in the table on page 40 are some examples of how the Board has had regard to the matters set out in Section 172(1)(a) to (f) when discharging its Section 172 duties and the effect of that on certain decisions taken by it and how the Board seeks to ensure effective and continuous engagement with its stakeholders.

Corporate clients

An original image taken at a member-exclusive Shangri-La Hotel at The Shard event in March 2020 ↑

Proactive engagement with corporate clients is key to securing, developing and renewing their business with Ten, from which the majority of Group Net Revenue (85-90% pre-COVID-19) is derived. Senior management and the client services team are in almost daily communication with corporate clients to ensure their customers are receiving services in line with or exceeding the clients’ expectations and the clients are engaged with data demonstrating their return on investment into Ten’s services. The Board is provided with detailed updates by the Client Services Director. The CEO and selected members of the Board also meet existing and potential clients regularly, to maintain strong relationships.

For more information about our corporate clients, see pages 18 to 21.

Employees

Members of the Ten Cape Town office taken in October 2021 ↑

The Group’s employees, based across over 20 cities across the globe, are integral to the high-quality, innovative and adaptable service provided to Ten’s members and corporate clients. Management utilises a broad range of methods to ensure employees have the opportunity to give feedback on and inform the direction and governance of the business. The Group adopts the objectives and key results (OKR) goal setting framework, whereby every employee in the Group sets quarterly objectives linked to the Group’s overall objectives with their manager.

Annual employee satisfaction is monitored, with actions implemented to address concerns and dissatisfaction, and reported to the Board.

For more information about our commitment to responsible business, see pages 34 to 37.

Strategic partners and suppliers

A collage of some of Ten’s esteemed suppliers and partners: Chef Clare Smyth (1); Chef Daniel Boulud (2); Hotelier Franck Arnold, the Savoy (3); Hotelier Angus Pitkethley, Park Hyatt New York (4) ↑

Strong relationships with a wide range of strategic partners and suppliers help Ten deliver value to our members and other stakeholders. Engagement with IT, technology, payment services and telephony providers improves efficiencies, including the increased automation of request fulfilment. Proposition specialists leverage the combined buying power of Ten’s members and our relationships with existing suppliers of goods and/or services consumed by our members in the travel, entertainment, dining and retail sectors, to enhance the service proposition. Wherever possible, access to these suppliers is integrated into the Ten Digital Platform.

The Board receives updates on key strategic partners as well as approving capital expenditure with suppliers engaged through a tender process that is committed to sustainable procurement and mitigation against the risk of modern slavery, bribery or corruption anywhere in the supply chain. The Group also aims to conduct itself to the highest standards and pay all invoices promptly.

For more information about our supplier partnerships, see pages 24 and 25.

Stakeholder Engagement (S. 172) continued

Board decision	Stakeholders affected	Strategic, operational, financial and Section 172 considerations
Operational response to the continuing effects of COVID-19 on the business and stakeholders, including continued home/flexible working	Corporate clients Employees	▪ Health, wellbeing and safety of employees and customers ▪ Maintaining PCI DSS and SOC Type 2 security standards ▪ Corporate client requirements ▪ Compliance with local public health policies
Approval of the Group's budget, including the continued investment into the digital transformation of the business as well as the content and eCRM strategy	Members Shareholders Corporate clients Employees Strategic partners and suppliers	▪ Maintain the Group's competitive advantage ▪ Offer market-leading digital platform for our corporate clients ▪ Improve the member proposition from a broader inventory from supplier partners ▪ Increase efficiencies through automation and self-service, which drives profitability and shareholder return
Continuation of the voluntary Salary Sacrifice Scheme until July 2021	Shareholders Employees	▪ The requirement to achieve short and medium-term cost savings ▪ The opportunity to engage employees on a voluntary basis to sacrifice salary for options in the Group ▪ Dilution of shareholders deemed proportionate to the continued challenges posed by COVID-19
Approved the TCFD governance framework, phased implementation plan and certain TCFD related disclosures to be made on a voluntary basis	Members Shareholders Corporate clients Employees Strategic partners and suppliers Environment	▪ Drive the Group towards its ambition to reduce its direct and indirect impacts on the environment ▪ Communicate to our investors how we manage the challenges and opportunities of climate change ▪ Regulatory and environmental compliance
Implementation of employee satisfaction measures	Employees Shareholders	▪ The results of the annual employee satisfaction survey and employee feedback ▪ Expertise and recommendations by the HR and Learning and Development teams ▪ The benefits of implementing or reinstating employee benefits and engagement initiatives on employee satisfaction, productivity and retention, as well as the cost to the business and the need to prudently manage cash during the COVID-19 crisis

Corporate Governance

Introduction from the Chairman
On behalf of the Board, I am pleased to introduce the 2021 Corporate Governance Statement.

The Board remains committed to robust corporate governance and is fully accountable to the Group's stakeholders including shareholders, employees, corporate clients, members, suppliers and partners as well as the Group's environmental and social responsibilities.

As Chairman, I am responsible for leading the Board effectively and overseeing the adoption, delivery and communication of the Group's corporate governance model. The Board operates in compliance with the Quoted Companies Alliance's (QCA's) Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code"), and believes our governance practices ensure that the Group has the right people, strategy and culture to support the Group's medium to long-term success. This is described in more detail on pages 46 and 47.

Bruce Weatherill
Chairman
23 November 2021

Grand Hotel Fasano, Italy, a new partner added to the Ten Global Hotel Collection in 2021

Board of Directors

Bruce Weatherill
Independent
Non-Executive Chairman

A N

Bruce Weatherill joined Ten as Non-Executive Chairman in October 2017. Bruce is a Chartered Accountant with over 40 years' experience in the global financial services industry, providing a range of audit and consulting services to global financial service companies. Until 2008, Bruce was a partner at PwC in charge of a number of Asset Management and Wealth Management clients. During his time at PwC, Bruce was global leader of PwC's Private Banking and Wealth Management practice. Since leaving PwC, Bruce set up Weatherill Consulting and provides consulting services to Wealth Management Companies around the world. He is a Non-Executive Director of ComPeer Limited and a Committee member of The All England Lawn Tennis Club. He is Chairman of JDX Consulting and is Chair of the Audit and Risk Committee. He is Chairman of ClearView Financial Media (Wealth Briefing), the Wisdom Council and, since February 2020, the Wimbledon Foundation.

Bruce was appointed Chairman in October 2017, bringing over 40 years' experience in the global financial services industry with relevant leadership, financial control and commercial expertise as well as proven history at board level.

Alex Cheatle
CEO (Group) and
Co-Founder

N

Alex Cheatle co-founded the business in 1998. Alex is responsible for the Group strategy to become the most trusted service in the world and the related focus to always be improving service levels. Prior to founding Ten, Alex was a marketing manager at Procter & Gamble. Alex has a degree in Philosophy, Politics and Economics from Oxford University. Alex is based in London.

The Chief Executive Officer is responsible for the management of the Group's business and for implementing the Group's strategy.

Andrew Long
Group COO, CEO (APAC)
and Co-Founder

Andrew Long is responsible for key client and account strategy, legal and compliance, programme management, global offers and events, global real estate and capital projects, including the development of the operational and technology infrastructure. Prior to founding Ten, he ran a UK market-leading event production and management business. Andrew has been based in Singapore with particular leadership responsibilities in APAC since 2012.

Alan Donald
CFO

Alan Donald joined Ten in June 2019. He has more than 30 years' experience working in the insurance, healthcare, aviation, business travel and leisure sectors. Before joining Ten, Alan was UK finance director at Thomas Cook for nine months. Previous to this, Alan was Finance Director of the Travel Division of Saga Group plc, EMEA CFO at Carlson Wagonlit Travel and CFO of the Menzies Aviation part of the John Menzies Group. Alan also held senior finance positions at Willis Corroon, BUPA and Cigna Healthcare. Alan qualified as a Chartered Accountant with Deloitte Haskins & Sells.

Sarah Hornbuckle
Client Services Director

Sarah Hornbuckle joined Ten in 2001. Sarah is responsible for the client services strategy, leading the team that develops long-term partnerships with Ten's corporate clients. Sarah has overseen the launch of all of the Group's major corporate programmes in EMEA, as well as many programmes globally.

Prior to joining Ten, Sarah was a senior brand manager at Unilever Bestfoods and Mars Confectionery for several years, responsible for launching new product lines and developing ATL and BTL advertising and marketing campaigns.

Jules Pancholi
Independent
Non-Executive Director

N R

Julian ("Jules") Pancholi joined Ten in October 2017. Jules is an experienced technology and marketing services entrepreneur, which includes serving as a Non-Executive Director of Skyscanner Limited, the travel fare comparison website, until its sale to C TRIP for over £1.4bn in 2016. Jules is Managing Director of Nitro Digital Limited, an independent digital agency. His other ventures include Nixxie Limited (a US-focused advertising tech business), Estimo Technologies Limited (a B2B SaaS workflow solution), Nitro Property Limited (a syndicate-based property portfolio business) and a number of other ventures in Fintech and Healthtech.

Jules was appointed as Non-Executive Director in October 2017. Jules has relevant industrial experience in technology and marketing services and is a proven non-executive director.

Gillian Davies
Independent
Non-Executive Director

A R

Gillian Davies is a Chartered Accountant who qualified with KPMG. Gillian has held a number of senior financial positions in both listed and private equity backed international companies, including Zeneca plc, Avecia Limited and Georgia Pacific. More recently, Gillian spent eleven years as Group Finance Director of FTSE-listed 4imprint Group plc, during which time 4imprint Group plc was extensively restructured and delivered significant growth. Gillian was CFO of AIM listed Harwood Wealth Management Group until its sale to Private Equity and subsequent delisting. Gillian is also Senior Independent Non-Executive Director and Chair of the Audit Committee at Knights Group Holdings plc and Non-Executive Director and Chair of the Audit Committee at Procook Group plc.

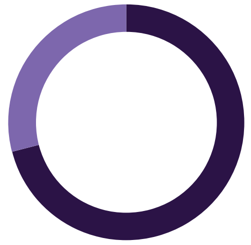
Gillian was appointed as Non-Executive Director in October 2017. She brings financial expertise as a Chartered Accountant and has substantial experience as a Group Finance Director of a FTSE-listed company.

Key:

- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- Chairperson

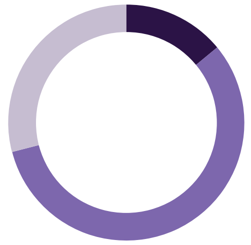
Board structure

Gender



Male	5
Female	2

Board composition



Non-Executive Chairman	1
Executive Directors	4
Non-Executive Directors	2

Corporate Governance Statement

Board composition
The Board is responsible to the shareholders and sets the Group's strategy for achieving long-term success. It is also ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group.

The Board comprises two Non-Executive Directors and an independent Non-Executive Chairman. The Non-Executive Directors and the independent Non-Executive Chairman were all appointed shortly before the Group listed in November 2017. The Board also has four Executive Directors, two of whom are the Co-Founders of the Group.

The composition of the Board was unchanged during the year and the Board is satisfied that the Board has the right blend of skills and experiences to lead the Group. The independent Non-Executive Chairman and the two Non-Executive Directors are considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. In accordance with the provisions of the QCA Code, the Board is composed of at least two independent Non-Executive Directors.

Board operation
The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Strategic Report on pages 6 to 40 summarises the Board's approach to promoting long-term growth and value for shareholders.

The operation of the Board is documented in a formal schedule of matters reserved for its approval. To fulfil these duties, the Group holds Board meetings at least eight times each financial year and at other times as and when required. An annual agenda plan and reports from members of the Senior Leadership Team on key developments or proposals to be approved ensure the Board is well informed at all times.

The Board has established three Committees: the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee, each having written terms of reference, which are available on the Group's website (www.tengroup.com/investors). Reports by the Chairperson of the three Committees are reported separately on pages 48 and 49 for the Audit and Risk Committee, pages 50 to 54 for the Remuneration Committee and page 55 for the Nomination Committee.

The Remuneration Committee is composed of two independent Non-Executive Directors and the Audit and Risk Committee and Nomination Committee are chaired by independent Non-Executive Directors.

The Executive Directors are all employed full time by the Group, except Sarah Hornbuckle, who works four and a half days a week for the Group. The independent Non-Executive Chairman and the Non-Executive Directors have commitments outside the Group. These are summarised in the Board biographies on pages 42 and 43.

The independent Non-Executive Chairman and the Non-Executive Directors give the necessary time to thoroughly fulfil their responsibilities to the Group, which normally involves a time commitment of two to three days per month.

Board meetings
The Board held seven scheduled Board meetings during the year, together with an additional seven meetings held to discuss specific issues or matters. In addition to formal Board meetings, the Directors, including the Non-Executive Directors, are in regular, informal communication to ensure all members of the Board are fully informed.

Directors are expected to attend all meetings of the Board, and of the Committees on which they sit, and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors. In the event that Directors are unable to attend a meeting, their comments on papers to be considered at the meeting will be discussed in advance with the Chairman so that their contribution can be included in the wider Board discussion.

The following table shows Directors' attendance at scheduled Board and Committee meetings during the period:

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Scheduled meetings	**7**	**3**	**2**	**1**
Bruce Weatherill	7	2	—	1
Gillian Davies	7	3	2	—
Jules Pancholi	7	—	2	1
Alex Cheatle	7	—	—	1
Andrew Long	7	—	—	—
Alan Donald	7	—	—	—
Sarah Hornbuckle	6	—	—	—

Board effectiveness
The Board has undertaken an evaluation of its effectiveness. Input was obtained from every Board member on the following performance evaluation indicators:

- clear purpose and strong leadership by the Chairman;
- balance of skills, experience and independence;
- Directors that work as a team;
- understanding of the business and its strategy;
- information and engagement with shareholders and other stakeholders; and
- Board performance evaluation.

The Chairman has also spoken with each Director to discuss Board and individual effectiveness during the period.

It was concluded that the Board operated effectively and that each of the Directors' respective skills complement each other and enhance the overall operation of the Board. The Board identified specific actions including increasing the frequency of invitations from the Board to members of the Senior Leadership Team to deep dive into certain areas of the business.

The Chairman did not consider that external advice or a third-party facilitator was needed to refresh the performance evaluation process this year but will consider again if this is needed next year.

The Board

Audit and Risk Committee
- two Non-Executive Directors
- Chaired by Gillian Davies
- held three scheduled meetings in the year
- Report on page 48

Remuneration Committee
- two Non-Executive Directors
- Chaired by Jules Pancholi
- held two scheduled meetings in the year
- Report on page 50

Nomination Committee
- two Non-Executive Directors
- one Executive Director
- Chaired by Bruce Weatherill
- held one scheduled meeting in the year
- Report on page 55

Board development
The Directors receive regular updates on the legal, regulatory and governance matters by the Group's Nomad, the Company Secretary, independent external auditor and other external advisers to ensure the Directors' awareness and the Board's governance procedures are up to date. The Company Secretary attends all Board meetings and has the responsibility of advising the Board on corporate governance matters and assisting with the flow of information to and from the Board.

Each Director keeps their relevant skills and knowledge up to date through formal and informal methods including qualified continuing professional development (if applicable), memberships of leadership communities and knowledge-based networking.

Engagement with stakeholders
The Board is committed to its responsibilities to all of its stakeholders, including shareholders, employees, corporate clients, members, suppliers and partners, the communities in which it operates and the environment. As such, it strives to ensure effective engagement with, and encourage participation from, each of these groups. The Directors are mindful of the needs of the stakeholders and consider them as part of their decision-making process. The Companies Act 2006 Section 172 Statement on pages 38 to 40 sets out how the Board has engaged with these different stakeholder groups.

Risk management and internal controls
The Board has ultimate responsibility for the Group's risk management and internal controls. To ensure sufficient time and attention are given to this function, it delegates the responsibility of monitoring the Group's risk and control management system framework to the Audit and Risk Committee. The Board then determines the appropriateness of the internal controls upon the Committee's recommendations.

The risk and control management system framework includes:

- close management of the day-to-day activities of the Group by the Executive Directors and the Senior Leadership Team;
- regular reviews of its risk register;
- a comprehensive annual budgeting process, which is approved by the Board;
- detailed monthly reporting of performance against budget; and
- central control over key areas such as capital expenditure authorisation and banking facilities.

The Executives, and Senior Leadership Team are responsible for ensuring that the risk and control management system framework is implemented effectively within their respective business areas. This includes ensuring an effective risk culture is in place, with risk management embedded in the business.

The Board delegates its responsibility to identify, assess and manage climate-related risk to the Audit and Risk Committee to ensure that more time is spent ensuring the Group is aware of and, as far as possible, mitigating the Group's environmental impact.

The Group continues to review its system of internal control to ensure adherence to best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at this juncture but will keep this under review.

Annual General Meeting (AGM)
The Annual General Meeting of the Group will take place on 3 February 2022. Full details will be included in the Notice of Meeting which will be published on our website in due course (www.tenlifestylegroup.com/investors).

Corporate Governance Statement continued

The QCA Corporate Governance Code

The Group has elected to comply with the principles set out in the QCA Code as the basis of its governance framework. The underlying principle of the QCA Code is to "ensure the Company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The Board is committed to ensuring that these principles are embedded within the business. Set out below is how the Board currently complies with the key principles set out in the QCA Code.

Principle	Compliant	Explanation
Deliver growth		
1. Establish a strategy and business model which promote long-term value for shareholders	✓	The Group's underlying business model is based on a growth engine that, with scale and time in market, builds efficiency, service quality and value to Ten's members and corporate clients, driving shareholder value in the medium to long-term. Committing to this strategy has enabled the business to continue to operate throughout a period of sustained disruption caused by the effects of COVID-19 on relevant markets, while continuing to improve service quality and efficiencies, strengthening the long-term resilience of the business. For more information see pages 12 and 13.
2. Seek to understand and meet shareholder needs and expectations	✓	Members of the Board meet regularly with investors, analysts and potential investors to understand how the Group's strategy and the Board's decisions impact and are received by investors. The AGM provides an opportunity for all shareholders to meet the Directors and raise any questions. For more information see page 38.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	✓	The Board has identified the main stakeholders in the business and regularly discusses how Ten's members, shareholders, corporate clients, employees and strategic partners, as well as the environment, might be affected by decisions and developments in the business. In the year, the Board appointed Non-Executive Director Jules to chair an ESG Working Group for the implementation of an ESG Programme. For more information see pages 38 to 40.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	✓	The Board and the Audit and Risk Committee regularly review the existing and new risks to the Group's business, as regularly communicated via reporting lines from the Senior Leadership Team. This includes demonstrating that processes and control systems for monitoring and mitigating each risk, as managed by the Senior Leadership Team, are embedded throughout the relevant business functions. For more information see pages 30 to 33 and 49.

Principle	Compliant	Explanation
Maintain a dynamic management framework		
5. Maintain the Board as a well-functioning, balanced team led by the Chairman	✓	The Board, comprised of three independent and four Executive Directors and led by the Chairman, continually develops how it operates to ensure Directors with deep experience in business, travel, finance and technology are best utilised to address the immediate and long-term challenges and opportunities facing the business. Meetings are characterised by lively debate and active idea exchange and management is rigorously challenged and held to account. For more information see pages 44 and 45.
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	✓	The adequacy of the Board's collective skills and experience is assessed as part of the annual Board effectiveness review and by the Nomination Committee when considering its recommendations to the Board for re-appointment and succession planning. Directors' individual development needs are discussed annually with the Chairman. For more information see pages 44, 45 and 55.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	✓	The Chairman leads the Board in an annual evaluation of the Board's effectiveness to identify areas for improvement and facilitate a plan of actions to address them. It requires each Director to complete a performance evaluation questionnaire based on the QCA's principles and meet with the Chairman. Year-on-year improvements are then monitored by the Board. For more information see page 44.
8. Promote a corporate culture that is based on ethical values and behaviours	✓	The Group's values of being member focused, pioneering and trustworthy underpin the business' culture and are consistent with the Group's objective and strategy. The Board promotes ethical values and behaviours through the decisions it makes and is committed to improving the Group's environmental performance. The Senior Leadership Team meets biannually to refocus on the Group's values and is held accountable for the actions of those reporting to it to ensure ethical values and behaviours are embedded in the business. For more information see page 35.
9. Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	✓	The Board reserves certain matters for its own consideration and delegates specialist duties to its Committees and/or members of the Senior Leadership Team to ensure it receives relevant, up-to-date information to allow it to make well-informed decisions on behalf of the business. This governance structure is appropriate for the size and complexity of the company as well as capacity, appetite and tolerance for risk. For more information see page 44.
Build trust		
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	✓	The Group communicates with shareholders through regular virtual meetings with investors, analysts and potential investors, publishing information for investors on its website, including investor videos presented by the CEO. The Executive Directors regularly communicate with the Group's employees and provide updates on the Group's strategy. The Group's values are continually reinforced by the Senior Leadership Team, based across the Group's global locations. For more information see pages 38 to 40.

Audit and Risk Committee Report

Gillian Davies
Chairperson of the Audit and Risk Committee

I am pleased to present the report on behalf of the Audit and Risk Committee for the period ended 31 August 2021.”

The Audit Committee is responsible for reviewing the Group's internal financial controls and the audit process, maintaining an appropriate relationship with the Group's auditor and ensuring that the financial performance of the Group is properly reported and reviewed.

The Committee reviews reports on the interim and annual accounts, financial announcements, the Group's accounting and financial control systems, changes to accounting policies, the extent of the non-audit services undertaken by the external auditor and the appointment of the external auditor.

The Committee is also responsible for monitoring the adequacy and effectiveness of the Group's risk management system.

Members of the Committee

The Committee is composed of two independent Non-Executive Directors: me, Gillian Davies (as Chairperson), and Bruce Weatherill. I am a Chartered Accountant and have held a number of senior financial positions in both listed and private equity backed international companies. Bruce previously served as a partner at PwC as global leader of its banking and wealth management practice and is currently the Chair of the Audit and Risk Committee for JDX Consulting. It is the Board's view that we both have significant recent and relevant financial experience.

Alex Cheatle, Group CEO, and Alan Donald, CFO, together with other members of the finance team, may attend Committee meetings by invitation. The Committee held three scheduled meetings during the year.

Business of the Committee

The main duties of the Committee are set out in its terms of reference, which are available on the Group's website (www.tenlifestylegroup.com/investors). The main items of business considered by the Committee during the period included:

- consideration and approval of the half year results announcement;
- consideration and approval of the full year results announcement and the Annual Report and Accounts;
- consideration of the principal judgemental accounting matters for the Group based on reports from executive management;
- the review and approval of the 2021 audit plan and audit engagement letter;
- the review of suitability of the external auditor;
- consideration of the external audit report and management representation letter; and
- the review of the risk management and internal control framework.

Results and financial reporting

During the year the Committee reviewed draft half and full year results announcements and the Annual Report and Accounts. The Committee reviewed whether suitable accounting policies had been adopted and whether management had made appropriate judgements and estimates. The Committee reviewed accounting papers prepared by management providing details on the main financial reporting judgements, including a review into the capitalisation of a proportion of a database less likely to generate future economic benefits due to the fall-out from the COVID-19 pandemic. The Committee also reviewed reports provided by the external auditor on the annual results which highlighted any observations from the work it has undertaken.

Changes in accounting policies/application of IFRSs

The Committee is satisfied that there are no changes in accounting policies impacting the current year.

There are no significant IFRSs yet to be adopted that the Committee expects to have a significant impact on the financial statements.

Risk management and internal controls

As detailed on page 45 of the Corporate Governance Statement, the Group's risk management and internal control framework is monitored by the Committee. The framework is designed to manage the Group's risk appetite rather than eliminate the risk of failure to meet the Group's strategic objectives. During the period, the Committee has reviewed the framework reports from management on internal controls and comments made by the external auditor in its management letters. The Committee is satisfied that the internal control systems in place are sufficient and currently operating effectively for a business of this size. The principal risks facing the Group are set out in the section of this report on risk management on pages 30 to 33.

The COVID-19 pandemic and the resulting public health mitigations caused widespread disruption to the Group's core service markets. Careful consideration was given to the preparation of the financial statements and in assessing the appropriateness of the continued adoption of the going concern assumptions. The Committee has reviewed the material assumptions that underpin management's estimates of the forecast financial performance and cash flows and is satisfied they are appropriate.

The Group does not currently have an internal audit function and this is not currently considered to be necessary due to the adequacy and effectiveness of internal controls. This will be kept under review as the business evolves.

External auditor

The Committee is responsible for reviewing the suitability of the external auditor, BDO, to ensure that auditor independence and objectivity are maintained. The external auditor prepares a plan for its audit of the full year financial statements which is presented to the Committee before commencement of the audit. The Committee also met with the external auditor without management present during the period. BDO was appointed as auditor of the Group in 2017 and the Committee continues to be satisfied with its effectiveness. In 2022, there will be a change of audit partner in line with the normal five-year partner rotation for listed companies.

The Committee is responsible for ensuring there is a suitable policy for ensuring that non-audit work undertaken by the auditor is reviewed to ensure it will not impact its independence and objectivity. The breakdown of fees between audit and non-audit services is provided in note 6 to the Group's financial statements.

Taking into account the auditor's knowledge of the Group and its experience, the Committee has recommended to the Board that the auditor is re-appointed for the period ending 31 August 2022.

Gillian Davies
Chairperson of the Audit and Risk Committee
23 November 2021

Remuneration Committee Report

Jules Pancholi
Chairman of the Remuneration Committee

"I am pleased to present this Remuneration Committee Report for the period ended 31 August 2021."

The Group is pursuing an ambitious plan to become the most trusted service in the world by investing in our member proposition and generating profitability and scale (as detailed on pages 12 to 13). Our people are key to delivering on this aspiration and our remuneration strategy is designed to motivate, retain and reward colleagues across the world that contribute to the Group's success.

In response to the ongoing challenges posed by COVID-19 we continued to limit salary reviews and discretionary bonuses and continued a voluntary salary sacrifice for share options scheme (the "Salary Sacrifice Scheme") across the Group until July 2021.

The Committee continues to review the appropriateness of the Group's incentive arrangements in light of the Group's performance and the wider economic environment to ensure that any future incentives stretch, motivate and reward, in line with the Group's strategy and values and the long-term interests of all of its stakeholders.

This report describes the duties of the Committee, the policies it has adopted, how it has applied those policies in the year and details of specific Directors' remuneration arrangements.

Members of the Committee

The Committee is composed of two independent Non-Executives: me, Jules Pancholi (as Chairman), and Gillian Davies. Alex Cheatle, Group CEO, together with other Directors and advisers may attend Committee meetings by invitation. The Committee held two scheduled meetings during the period. The Committee operates under the Group's agreed terms of reference which are available on the Group's website (www.tenlifestylegroup.com/investors).

Duties

The Committee formulates the Group's remuneration policy and applies it to make recommendations to the Board on Group-wide incentive plans, individual senior and executive remuneration packages and new appointments to the Board or Senior Leadership Team.

The Committee's main duties and responsibilities are to:

- have responsibility for setting the remuneration policy for all Executives and such other members of the executive management as it is designated to consider;
- recommend and monitor the level and structure of remuneration for senior management;
- obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity in light of reviewing the ongoing appropriateness and relevance of the remuneration policy;
- review the design of all share incentive plans for approval by the Board;
- approve the design of, and determine targets for, any performance-related pay schemes operated by the Group and approve the total annual payments made under such schemes; and
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

Remuneration policy

The objective of the Group's remuneration policy is to attract, motivate, retain and reward quality, skilled and expert individuals who will contribute to the success of the Group. To achieve this objective, we have designed a remuneration policy that focuses on granting key employees share options under our long-term incentive plans, alongside competitive salaries and pension-related benefits.

The majority of our long-term incentive plans are linked to share price performance or vest on the achievement of performance conditions based on total shareholder return and, for some participants, operational targets, as detailed on page 52. We believe that by providing Executives and key employees with long-term share options, rather than performance-related bonuses, we align remuneration with our shareholders' long-term interests.

Salaries and pension-related benefits provide an appropriate level of fixed remuneration to attract and retain individuals with the qualities, skills and experience required to deliver the Group's strategic objectives and create value for our shareholders.

Executive Directors' service contracts

Alex Cheatle, Andrew Long and Sarah Hornbuckle signed new service contracts with the Group on admission to AIM in November 2017. Alan Donald signed a service contract on his appointment in June 2019. The service contracts are not of fixed duration. All of the Executives' contracts are terminable by either party giving six months' written notice.

Non-Executive Directors' letters of appointment

The Non-Executive Directors have signed letters of appointment with the Group for the provision of the Non-Executives' services, which may be terminated by either party giving three months' written notice. The Non-Executives' fees were reviewed and determined by the Board on 28 January 2021.

Directors' remuneration

The following table summarises the total gross remuneration for the qualifying services of the Directors who served during the year to 31 August 2021.

	2021					2020				
	Gross basic salary/fee (£)	Salary sacrificed (£)	Pension (£)	Options exercised (£)	Total (£)	Gross basic salary/fee (£)	Salary sacrificed (£)	Pension (£)	Options exercised (£)	Total (£)
Executive										
Alex Cheatle	**174,400**	**124,600**	**5,000**	**—**	**304,000**	219,000	80,000	7,000	—	306,000
Andrew Long	**159,000**	**110,000**	**—**	**—**	**269,000**	210,000	77,000	—	—	287,000
Sarah Hornbuckle	**65,000**	**27,500**	**2,000**	**—**	**94,500**	76,000	16,500	2,000	—	94,500
Alan Donald	**145,500**	**48,500**	**—**	**—**	**194,000**	170,000	24,000	—	—	194,000
Non-Executive										
Bruce Weatherill	**50,800**	**4,200**	**—**	**—**	**55,000**	51,000	2,750	—	—	53,750
Jules Pancholi	**36,800**	**4,200**	**—**	**—**	**41,000**	37,000	2,750	—	—	39,750
Gillian Davies	**36,800**	**4,200**	**—**	**—**	**41,000**	37,000	2,750	—	—	39,750
	668,300	**323,200**	**7,000**	**—**	**998,500**	800,000	205,750	9,000	—	1,014,750

The Group has not awarded remuneration to the Directors based on share price appreciation or depreciation.

Executive Directors sacrificed salary in the year under the Salary Sacrifice Scheme, detailed on pages 52 and 53.

The Non-Executive Directors all waived a £5,000 increase in their fees from March 2020 until July 2021.

Given the uncertainty relating to the impacts of COVID-19 on the Group and the wider economic environment, the Executive Directors did not receive a pay increase in 2021. The Executive Directors' remuneration for 2022 is set out in the table below although this may be reviewed in the course of the year on the basis of Group performance and market comparisons.

	Basic salary/ fee (£)	Pension (£)	Total (£)
Executive			
Alex Cheatle	299,000	5,000	304,000
Andrew Long	269,000	—	269,000
Sarah Hornbuckle	92,500	2,000	94,500
Alan Donald	194,000	—	194,000

Remuneration Committee Report continued

Long-term incentive plans

Management Incentive Plan

Shortly prior to listing, the Group adopted a Management Incentive Plan (MIP) on 9 November 2017. The MIP is designed to award senior management nil-cost share options on an annual basis following the announcement of the Group's annual results.

The options vest three years after the date on which the Company's annual results are announced, subject to the performance conditions. This vesting period was selected in line with guidance from the QCA (the Group's adopted corporate governance code is the QCA Corporate Governance Code). Appropriate claw-back provisions are available at the discretion of the Committee.

All MIP options awarded to Executives are subject to performance conditions based on the following ratcheted scale of growth of total shareholder return (TSR):

Total Shareholder Return CAGR	% of Award vesting
Less than 10%	Zero
10%	25%
20% or more	100%
Between 10% and 20%	Between 25% and 100% on a straight line basis

The growth in TSR is calculated by using the compound annual growth rate (CAGR) of the share performance from the closing share price on the date on which the Group's financial results for the relevant year were announced to the London Stock Exchange (the "Baseline TSR") until the date of the announcement of the Group's results three years later. There is no additional return on a share price increase over 20% CAGR.

Three MIP awards have been made since IPO:

Annual MIP Award	**2021**	2020	2019	2018
Date of Award	**21/12/2020**	06/01/2020	24/06/2019*	07/12/2017
Vesting period	**21/12/2020–07/12/2023**	06/01/2020–07/12/2022	24/06/2019–07/12/2021	07/12/2017–07/12/2020
Performance period	**3 years from 24/11/2020**	3 years from 26/11/2019	3 years from 28/11/2018	3 years from 27/11/2017
Baseline TSR (£)	**0.91**	1.27	0.69**	1.34

* The award was delayed due to financial targets not being met.

** Calculated based on the average closing share price for the dealing days from 28 November 2018 until 28 February 2019, due to a low share price (£0.34) on 28 November 2018.

Awards to Andrew Long (COO) are subject to additional performance conditions linked to the Net Revenue growth and profit making in the APAC region.

On 24 November 2020, the share price was £0.90, below the Baseline TSR, so the performance conditions of the 2018 Performance MIP Award were not met and the share options, which amounted to all share options awarded to Executive Directors in 2018, lapsed in full.

The Committee believes the MIP and aforementioned performance metrics appropriately incentivise and are aligned with the Group's strategic goals and the long-term interests of our shareholders. The Committee continues to review the MIP and the limits of the Company's share plans in consultation with institutional shareholders on any proposal.

Company Share Option Plan

Shortly prior to listing, the Group also adopted a Company Share Option Plan (CSOP), on 24 August 2017. CSOP options are generally granted to senior management and employees key to the future success of the Group up to a maximum grant of £30,000 of shares at an exercise price no lower than the mid-market share price the date before the date of grant.

CSOP options become exercisable after three years, subject to certain conditions, including appropriate bad leaver conditions. Any gain from the exercise of CSOP options is subject to the relative increase in the share price over the three-year period, incentivising and rewarding employees engaged in achieving the Group's long-term strategic goals.

The three-year lock-in period for the CSOP options granted prior to IPO expired in August 2020 and many of the option holders were eligible to exercise and be granted further CSOP options, continuing the retention benefits of the scheme. Granting options to this cohort, in addition to new participants, resulted in a larger than normal total grant in the year, with 1.6m share options granted (2020: 25k). The Committee expects that this pattern will repeat every three years.

Salary Sacrifice Scheme

As part of the Group's cost saving initiatives in response to COVID-19, the Group established a voluntary Salary Sacrifice Scheme in March 2020, whereby employees and contractors can opt to forgo a percentage of their salary in return for options over ordinary shares, exercisable for or up to three years from the date of grant.

Two Salary Sacrifice Schemes were launched in 2021, generating a total cash saving to the Group of £1.0m and options over 5.8m ordinary shares granted.

The exercise price and number of options granted were determined using the Black Scholes model for option pricing to ensure that the total economic value of these options is equal to the value of the total salary forgone.

	2021		2020	
Salary Sacrifice Scheme	**Third**	**Fourth**	First	Second
Sacrifice period	**November–February 2021**	**March–June 2021**	March–June 2020	July–October 2020
Grant Period	**24/11/2020 – 24/11/2023**	**24/03/2021 – 24/03/2024**	27/03/2020 – 27/03/2023	09/07/2020 – 09/07/2023
Exercise price (£)	**1.00**	**1.10**	0.70	1.20
Sacrifice breakeven share price (£)	**1.25**	**1.35**	0.90	1.53
Shares per £1.00 sacrificed	**4**	**4**	5	3
Number of participants	**135**	**71**	165	89
Total number of options granted under the Scheme	**2,114,881**	**1,785,131**	4,062,336	1,332,495
Total cost saving	**£0.52m***	**£0.45m***	£0.70m	£0.50m

* The calculation of savings is the total number of options granted divided by the number of options per every £1 of salary sacrificed.

The Committee is satisfied that the benefits achieved by the Salary Sacrifice Scheme, including cost savings and enhanced employee engagement, are aligned with our shareholders' interests. The employees have waived entitlement to salary in lieu of payment of the share options, with expected net dilution only above the sacrifice breakeven share price listed. In light of this, the Committee has considered it appropriate to exclude these options from general headroom limits pursuant to the Company's share plans.

Since the end of the period, a number of individuals chose to exercise and sell a total of 1.5m options received pursuant to the First Salary Sacrifice Scheme. The Company received £1.06m cash from the exercise of these options.

The Committee is grateful for the sacrifice of each participating employee and recognises their investment in the future success of the business during a challenging time for all.

Total Director share options

The following table summarises the total share options held by the Executive Directors who served during the year to 31 August 2021.

	Share option Scheme	Date of grant	Number of ordinary shares under option	Exercise price	Vesting period
Alex Cheatle	MIP	07/12/2017	400,000	£0.001	07/12/2017–07/12/2020
	MIP	24/06/2019	200,000	£0.001	24/06/2019–06/12/2021
	MIP	07/12/2019	200,000	£0.001	06/01/2020–07/01/2023
	MIP	07/12/2020	200,000	£0.001	07/12/2020–07/12/2023
	CSOP	24/06/2019	33,708	£0.89	24/06/2019–24/06/2022
	SSS	27/03/2020	249,167	£0.70	27/03/2020–31/07/2023
	SSS	09/07/2020	149,500	£1.20	09/07/2020–31/10/2023
	SSS	24/11/2020	199,333	£1.00	01/04/2020–31/03/2023
	SSS	24/03/2021	199,333	£1.10	01/07/2021–30/06/2024
Andrew Long	MIP	07/12/2017	200,000	£0.001	07/12/2017–07/12/2020
	MIP	24/06/2019	100,000	£0.001	24/06/2019–06/12/2021
	MIP	07/12/2019	100,000	£0.001	06/01/2020–07/01/2023
	MIP	07/12/2020	100,000	£0.001	07/12/2020–07/12/2023
	CSOP	24/06/2019	33,708	£0.89	24/06/2019–24/06/2022
	SSS	27/03/2020	240,941	£0.70	27/03/2020–31/07/2023
	SSS	09/07/2020	135,787	£1.20	09/07/2020–31/10/2023
	SSS	24/11/2020	178,660	£1.00	01/04/2020–31/03/2023
	SSS	24/03/2021	173,380	£1.10	01/07/2021–30/06/2024
Sarah Hornbuckle	MIP	07/12/2017	60,000	£0.001	07/12/2017–07/12/2020
	MIP	24/06/2019	30,000	£0.001	24/06/2019–06/12/2021
	MIP	07/12/2019	32,000	£0.001	06/01/2020–07/01/2023
	MIP	07/12/2020	40,000	£0.001	07/12/2020–07/12/2023
	CSOP	24/06/2019	33,708	£0.89	24/06/2019–24/06/2022
	SSS	27/03/2020	60,008	£0.70	27/03/2020–31/07/2023
	SSS	09/07/2020	36,005	£1.20	09/07/2020–31/10/2023
	SSS	24/11/2020	48,007	£1.00	01/04/2020–31/03/2023
	SSS	24/03/2021	48,007	£1.10	01/07/2021–30/06/2024

Remuneration Committee Report continued

Total Director share options continued

	Share option scheme	Date of grant	Number of ordinary shares under option	Exercise price	Vesting period
Alan Donald	MIP	07/12/2019	150,000	£0.001	06/01/2020–07/01/2023
	MIP	07/12/2020	75,000	£0.001	07/12/2020–07/12/2023
	CSOP	24/06/2019	33,708	£0.89	24/06/2019–24/06/2022
	SSS	27/03/2020	75,000	£0.70	27/03/2020–31/07/2023
	SSS	09/07/2020	58,200	£1.20	09/07/2020–31/10/2023
	SSS	24/11/2020	77,600	£1.00	01/04/2020–31/03/2023
	SSS	24/03/2021	77,600	£1.10	01/07/2021–30/06/2024

All MIP options granted to Executive Directors on 7 December 2017 lapsed in full on 24 November 2020, as the performance conditions set at grant, linked to shareholder return, were not met.

Non-Executive Directors are not awarded share options.

Fees paid for remuneration-related services

The Group paid £nil in fees for remuneration-related services during the period.

Directors' interests

Directors who served during the year to 31 August 2021 had interests in the shares of the Company as shown below:

Ordinary shares of 0.01p	31 August 2021	% shareholding	31 August 2020	% shareholding
Executive				
Alex Cheatle	**11,164,669**	**13.84**	11,164,669	13.84
Andrew Long	**4,000,000**	**4.96**	4,000,000	4.96
Sean Hegarty	**—**	**—**	263,059	0.33
Alan Donald	**100,040**	**0.12**	100,354	0.12
Sarah Hornbuckle	**714,983**	**0.89**	714,983	0.89
Non-Executive				
Bruce Weatherill	**800,000**	**0.99**	800,000	0.99
Jules Pancholi	**336,664**	**0.42**	336,664	0.42
Gillian Davies	**40,000**	**0.05**	40,000	0.05

If you have any comments or questions on anything contained within this Remuneration Report, I will be available at the AGM.

Jules Pancholi
Chairman of the Remuneration Committee
23 November 2021

Nomination Committee Report

Bruce Weatherill
Chairman of the Nomination Committee

"I am pleased to present the report on behalf of the Nomination Committee for the period ended 31 August 2021."

The primary role of the Committee is to ensure that robust procedures are in place for Board appointments and to ensure that the Board and its Committees have an appropriate balance of skills, experience, availability, independence and knowledge of the Group required for the next stage in the Group's development. The Committee also makes recommendations to the Board about new appointments, re-electing Directors, succession planning and Board composition, particularly with regard to the benefits of diversity on the Board.

Members of the Committee

The Committee is composed of two independent Non-Executives: me, Bruce Weatherill (as Chairman, unless the business under discussion includes the succession of this position) and Jules Pancholi, as well as an Executive: Alex Cheatle, Group CEO. The Committee met once during the period. The main duties of the Committee are set out in its terms of reference, which are available on the Group's website (www.tenlifestylegroup.com/investors).

Business of the Committee

The Committee met during the period to consider succession planning for the Board, its Committees and other senior managers, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future. The Committee also reflected on the diversity of the Board and senior managers and recognised the progress the Group had made with regard to gender diversity and considered how it could achieve further diversity and inclusion.

Taking into account the Listing in November 2017 and full consideration at that time, no further changes were recommended at this time.

Bruce Weatherill
Chairman of the Nomination Committee
23 November 2021

Directors' Report

The Directors present their annual report and financial statements for the year ended 31 August 2021. An indication of likely future developments in the business is set out in the Strategic Report.

Directors
The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Alex Cheatle
Sarah Hornbuckle
Andrew Long
Alan Donald
Bruce Weatherill
Jules Pancholi
Gillian Davies

Financial risk management objectives and policies
Further detailed commentary on financial risk management is included in note 29.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by holding significant cash balances in major currencies, notably UK Sterling and the US Dollar.

Credit risk
The principal credit risk for the Group arises from its trade receivables. In order to manage credit risk customers can be required to pay in advance of services being provided and credit controllers regularly review credit limits in conjunction with debt ageing and collection history.

As at 31 August 2021, a provision of £0.2m was recognised against balances with reasonable credit risk.

Foreign exchange risk
The Group has significant operations in both the UK and overseas. Profits are exposed to variations in exchange rates and therefore reported profits. There is some natural hedging of transactional foreign exchange risk; however, the Group remains subject to translation exchange risk.

Overseas branches
The Group has three branches outside the United Kingdom located in Dubai, Colombia and Argentina.

Research and development
The Group continues to dedicate resources to further develop the bespoke TenMAID platform and the customer-facing the Ten Digital Platform offering to its partners. Expenses incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that these costs can be measured reliably (see note 15).

Substantial shareholders
As at 31 August 2021, the shareholders listed below had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the Group.

	Number of ordinary shares	Percentage of ordinary shares %
Alex Cheatle	11,164,669	13.37
Canaccord Genuity Wealth Management	9,675,088	11.59
Lombard Odier Investment Managers	6,780,198	8.12
Soros Fund Management	4,543,998	5.44
Baillie Gifford	4,052,611	4.85
Andrew Long	4,000,000	4.79
Burgundy Asset Management	3,241,835	3.88

Purchase of own shares
The Company purchased nil (purchased 2020: £45k) of own shares in the financial year, held in the Employee Benefit Trust (EBT).

Corporate governance
The Company has adopted the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies ("QCA Code") as set out on pages 46 and 47.

Dividends
No ordinary dividends were paid (2020: £nil). The Directors do not recommend payment of a final dividend.

Share option schemes
Details of employee share schemes are set out in note 26 to the financial statements.

Brexit
The EU UK Trade and Cooperation Agreement, which governs the relationship between the UK and the EU post-Brexit, was signed 30 December 2020 and has been enacted in law. As the Group operates subsidiaries in other countries, there are alternative channels available to us to continue business with the same customers, with limited effect from Brexit changes. As such, while the Directors are closely monitoring the situation, they continue to deem that the effects of Brexit will not have a significant impact on the Group's operations.

Going concern
The Group going concern assessment is based on forecasts and projections of anticipated trading performance. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows.

The Directors confirm that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the next twelve months from approval of these financial statements and accordingly these financial statements are prepared on a going concern basis.

The continued impact of the COVID-19 pandemic on our business have been appropriately managed and the Board believes that the business is able to navigate through the further impact of COVID-19 due to the strength of its customer proposition, its Statement of financial position and the net cash position of the Group.

Directors' responsibilities
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 Group and Company financial statements in accordance with International accounting standards in conformity with the requirements of the companies Act 2006 ('IFRS'). 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 Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. 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;
- state whether they have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS'), subject to any material departures disclosed and explained in the financial statements; 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, 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 requirements of 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.

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website are the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to the auditor
Each of the Directors of the Company at the time when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given in accordance with Section 418(2) of the Act.

Auditor
BDO LLP was appointed as auditor to the Company and, in accordance with Section 485 of the Companies Act 2006, a resolution proposing that it be re-appointed will be tabled at a general meeting.

Approval
This Directors' Report was approved on behalf of the Board on 23 November 2021.

Alan Donald
Chief Financial Officer
23 November 2021

Financial Statements

Bodrum, Turkey - Alexandra Goldbach →

Independent Auditor's Report

to the members of Ten Lifestyle Group Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 August 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ten Lifestyle Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

We have highlighted going concern as a key audit matter based on our assessment of risk and the effect on our audit strategy. Refer to Note 1.4 to the financial statements for the going concern disclosures.

Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting and in response to the Key Audit Matter included:

- Review of the internal forecasting process to confirm the projections are prepared by an appropriate level of staff that is aware of the detailed figures included in the forecast but also have a high level understanding of the entity's market, strategy and changes in the customer base.
- Review of the forecasts prepared and challenge of the key assumptions and inputs within the model to supporting documentation, to determine whether there is adequate support for the assumptions underlying the forecasts. Furthermore, we considered the outcome of prior year forecasts to consider the historical accuracy of the Directors' forecast.
- The Directors have applied downwards sensitivities to the more variable aspects of the forecasts and also modelled a number of mitigating cash saving initiatives. We considered the appropriateness of the sensitivities applied in respect of the impact of Covid-19 and the Director' available mitigating actions and its effects on the group's solvency and liquidity position.
- Review of post year-end management accounts, specifically comparing the cash position against that budgeted.
- Making inquiries of the Directors as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.
- Considering the adequacy and completeness of the disclosures in the financial statements against the requirements of the accounting standards and the Directors' going concern assessment.

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 Group's and the Parent 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.

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

Independent Auditor's Report continued

to the members of Ten Lifestyle Group Plc

Overview

Coverage	91% (2020: 95%) of Group revenue 89% (2020: 94%) of Group total assets		
Key audit matters		2021	2020
	Revenue Recognition	✓	✓
	Intangible Assets: Development costs, amortisation and impairment	✓	✓
	Going Concern	✓	✓
Materiality	Group financial statements as a whole £355k (2020:£442k) based on 1% (2020: 0.95%) of Group revenue		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The group consists of seventeen trading entities and two branches based around the world. There are two active entities based in the UK, one being the Parent Company.

Based on our assessment of the group, we focused our group audit scope primarily over the significant components, being Ten Lifestyle Management Limited and Ten Lifestyle Management Switzerland GmbH. The significant components were subject to full scope audits by the group audit team.

In order to gain sufficient coverage over the cost base we further scoped in six entities and one branch over which limited and specific audit procedures were performed. The entities subject to these procedures were, Ten Lifestyle Management USA Inc., Ten Lifestyle Management (Mexico), S. de R.L. de C.V, Ten Group Japan K.K., Ten Servicos de Concierge do Brasil Limited, Ten Lifestyle Commercial Consulting (China) and Ten Lifestyle Management Africa (Pty) Ltd. The branch subject to these specific procedures was Ten Lifestyle Management (Columbia Branch).

Desktop reviews were performed on the remaining group entities.

At the parent company level we also tested the consolidation process including consolidation adjustments and journals, performed work on all key judgements and significant risk areas and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components not subject to audit.

The figures in the table above demonstrates the coverage from our full scope audit work performed over the significant components within the group for revenue and total assets.

No component auditors were utilised as part of the group audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the conclusion relating to going concern section of our report we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition

Key audit matter See accounting policy in Note 1.5 on page 71 to 72 and related disclosures in Note 4	The Group primarily generates revenue from three sources, direct concierge revenue, from fees paid by corporate clients for direct concierge services, access to the Ten Digital platform and indirect concierge service revenue generated through fulfilling transactions and services on members' behalf. We considered there to be a significant audit risk arising from recognition of revenue. The key audit matters related to revenue recognition are as follows: The risk of material misstatement in relation to revenue recognition concerns the recognition around the year end, particularly in relation to the adjustments recorded with respect to incremental subscription fees for direct concierge service revenue. ▪ There is also a risk that revenue streams have not been recognised appropriately in line with their respective performance obligations. ▪ There is a risk arising from incorrect presentation of revenue taking account of agent vs principal criterion.

Key audit matters continued

Revenue Recognition continued

How the scope of our audit addressed the key audit matter	With regards to the risk of material misstatement related to the recognition of revenue we performed the following procedures: ▪ We performed walkthroughs involving understanding the design and implementation of the controls, including IT general controls, over the Group's revenue cycle. ▪ In relation to recorded Direct concierge service revenue and Digital platform revenue, we reviewed a sample of contracts to assess whether the revenue had been recognised in accordance with the Group's accounting policy and evidenced that the required performance obligations were met, whether it was recognised appropriately from a timing perspective (at a point in time or over time) and whether any other terms within the contract had any material accounting or disclosure implications. ▪ In relation to Indirect concierge service revenue, we tested a sample of revenue transactions recognised in the general ledger to source documentation including sales invoices, sales orders and cash receipts. In making our assessment of compliance with the Group's accounting policy, we also checked that revenues were only recognised at the time of the performance obligation occurred. ▪ Consideration was made as to whether the Group was the principal or agent in the transaction, by reviewing, on a sample basis, key contracts to assess the nature of its promise of its performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). ▪ We selected a sample of revenue transactions occurring in a defined period either side of the year-end reporting date across all revenue streams and agreed to supporting documentation, checking that the revenue has been appropriately recorded as accrued or deferred revenue, where applicable. **Key observations:** Based on the work performed we consider that revenue has been recognised appropriately and in accordance with the Group's revenue recognition accounting policy.

Intangible Assets: Development Costs, amortisation and impairment

Key audit matter Details of the Group's accounting policies applied and related disclosures are given in notes 1.6 and 15 to the financial statements on pages 73 and 85 respectively.	The Group capitalises costs in relation to the development of the software used in the delivery of services to its clients. We determined this to be a key audit matter as there is significant judgement and assumptions required in the determination of the costs to be capitalised, their amortisation period and whether there is any impairment of historically capitalised asset amounts.

Independent Auditor's Report continued

to the members of Ten Lifestyle Group Plc

Key audit matters continued

Intangible Assets: Development Costs, amortisation and impairment continued

How the scope of our audit addressed the key audit matter	We performed the following procedures: ▪ Discussions were held with the Group's technology team to understand the Group's processes, procedures and projects in relation to development costs. ▪ We considered whether the development costs capitalised met the criteria for capitalisation under the applicable accounting standards. ▪ We checked the accuracy of the contractor and payroll data, on a sample basis, included in the calculations for capitalised costs to supporting documentation including employment contracts and agreements with contractors. ▪ Considered the proportion of time allocations for employees and contractor roles and made enquiries of management in relation to any changes to the percentage of time capitalisation, which were outside of expectations (based on knowledge of the business), corroborating management's explanations to supporting evidence. ▪ Reviewed the reasonableness of the estimated proportion of time allocations for a sample of employees and contractors by making enquiries of individual employees and contractors and reviewing written responses to the audit team's questionnaires, which they completed in relation to their roles, duties and tasks performed in relation to developing the platform asset. ▪ Assessed management's estimate of amortisation period applied to the asset by considering relevant industry benchmarks. ▪ Considered whether any indicators of impairment exist taking account of any changes in usability of amounts previously capitalised. ▪ Assessed the ability of the asset to generate future economic benefits for the Group, which at least exceed its carrying value by assessing the use of the Ten Maid platform in the performance of the Group's obligations to customers. ▪ We checked that assets that were not yet available for use (such as projects in development) had undertaken an impairment review undertaken as required by the applicable accounting standards. **Key observations:** Based on the procedures performed, we consider the assumptions and judgements made in the capitalisation of development costs, determination of amortisation period and impairment assessment to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Our application of materiality continued

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

	Group financial statements		Parent company financial statements	
	2021 £	2020 £	2021 £	2020 £
Materiality	£355,000	£442,000	£266,000	£353,000
Basis for determining materiality	1% of Revenue	0.95% of Revenue	75% of Group materiality	80% of Group materiality
Rationale for the benchmark applied	We considered revenue to be the most appropriate benchmark as this is the primary key performance indicator, which is used to address the performance of the Group by the board and an important performance based metric to the users of the financial statements.		Capped at 75% (2020: 80%) of group materiality given the assessment of the components aggregation risk.	
Performance materiality	£230,000	£287,300	£172,000	£229,840
Basis for determining performance materiality	Performance materiality was set at 65% (2020: 65%) due to the expected total value of known and likely misstatements. Additionally there are a select number of areas included in the accounts, which are subject to estimates.		Performance materiality was set at 65% (2020: 65%) considering that there are a select number of areas included in the accounts which are subject to estimates.	

Component materiality

We set materiality for each component of the Group based on a percentage of between 4% and 75% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £14,000 to £266,000. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £17,000 (2020:£22,100). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on 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 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 Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Independent Auditor's Report continued

to the members of Ten Lifestyle Group Plc

Other Companies Act 2006 reporting continued

Matters on which we are required to report by exception

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities set out on page 57, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, rules of the London Stock Exchange for companies trading securities on AIM, the Companies Act 2006 and relevant tax compliance regulations;
- We understood how the Group is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management from across the Group to understand where they considered there was a susceptibility to fraud;
- Our audit planning identified fraud risks in relation to management override of controls and inappropriate or incorrect recognition of revenue (revenue recognition assessed as a Key Audit Matter above). We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls; and
- With regards to the fraud risk in management override of controls, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates, for example the capitalisation of development costs (the risks associated with the capitalisation of development costs has been assessed as a Key Audit Matter above), which are subject to managements' judgement and estimation, and could be subject to potential bias.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Auditor's responsibilities for the audit of the financial statements continued

Extent to which the audit was capable of detecting irregularities, including fraud continued

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Iain Henderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
23 November 2021

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

Consolidated Statement of Comprehensive Income

for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Revenue	4	**35,059**	46,369
Cost of sales on principal member transactions		**(394)**	(2,145)
Net Revenue	4	**34,665**	44,224
Other cost of sales		**(797)**	(828)
Gross profit		**33,868**	43,396
Administrative expenses		**(40,232)**	(48,943)
Other income		**1,380**	620
Operating profit before amortisation, depreciation, interest, share-based payments, exceptional items and taxation ("Adjusted EBITDA")		**4,431**	4,778
Depreciation	16 & 17	**(3,186)**	(4,395)
Amortisation	15	**(3,957)**	(3,380)
Share-based payment expense	27	**(1,627)**	(1,525)
Exceptional items	4.1	**(645)**	(405)
Operating loss	5	**(4,984)**	(4,927)
Finance income	12	**1**	2
Finance expense	12	**(554)**	(966)
Loss before taxation		**(5,537)**	(5,891)
Taxation expense	13	**(237)**	(1,005)
Loss for the year		**(5,774)**	(6,896)
Other comprehensive expense:			
Foreign currency translation differences		**(5)**	(60)
Total comprehensive loss for the year		**(5,779)**	(6,956)
Basic and diluted loss per ordinary share	14	**(7.2)p**	(8.6)p

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Financial Position

as at 31 August 2021

Company No: 08259177

	Notes	2021 £'000	2020 £'000
Non-current assets			
Intangible assets	15	**11,555**	10,532
Property, plant and equipment	16	**561**	1,126
Right-of-use assets	17	**2,601**	5,116
Total non-current assets		**14,717**	16,774
Current assets			
Inventories		**98**	66
Trade and other receivables	19	**5,707**	6,941
Cash and cash equivalents	21	**6,662**	10,957
Total current assets		**12,467**	17,964
Total assets		**27,184**	34,738
Current liabilities			
Trade and other payables	22	**(11,487)**	(11,906)
Provisions	23	**(568)**	(596)
Lease liabilities	25	**(1,504)**	(3,335)
Total current liabilities		**(13,559)**	(15,837)
Net current (liabilities)/assets		**(1,092)**	2,127
Non-current liabilities			
Borrowings	24	**—**	(1,000)
Lease liabilities	25	**(1,678)**	(2,668)
Total non-current liabilities		**(1,678)**	(3,668)
Total liabilities		**(15,237)**	(19,505)
Net assets		**11,947**	15,233
Equity			
Called up share capital	26	**82**	81
Share premium account		**29,356**	28,480
Merger relief reserve		**1,993**	1,993
Treasury reserve		**5**	15
Foreign exchange reserve		**(410)**	(405)
Retained deficit		**(19,079)**	(14,931)
Total equity		**11,947**	15,233

The financial statements were approved by the Board of Directors and authorised for issue on 24 November 2021 and are signed on its behalf by:

Alex Cheatle
Director

Alan Donald
Director

Consolidated Statement of Changes in Equity

for the year ended 31 August 2021

	Notes	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Foreign exchange reserve £'000	Treasury reserve £'000	Retained deficit £'000	Total £'000
Balance at 31 August 2019		81	28,480	1,993	(345)	(30)	(9,234)	20,945
Loss for the year		—	—	—	—	—	(6,896)	(6,896)
Change in accounting policy		—	—	—	—	—	(326)	(326)
Foreign exchange		—	—	—	(60)	—	—	(60)
Total comprehensive loss for the year		—	—	—	(60)	—	(7,222)	(7,282)
Shares sold by Employee Benefit Trust (EBT)		—	—	—	—	45	—	45
Equity-settled share-based payments charge	27	—	—	—	—	—	1,525	1,525
Balance at 31 August 2020		81	28,480	1,993	(405)	15	(14,931)	15,233
Loss for the year		—	—	—	—	—	(5,774)	(5,774)
Foreign exchange		—	—	—	(5)	—	—	(5)
Total comprehensive loss for the year		—	—	—	(5)	—	(5,774)	(5,779)
Shares purchased by Employee Benefit Trust (EBT)		—	—	—	—	(10)	—	(10)
Equity-settled share-based payments charge	27	—	—	—	—	—	1,626	1,626
Issue of new share capital		1	876	—	—	—	—	877
Balance at 31 August 2021		**82**	**29,356**	**1,993**	**(410)**	**5**	**(19,079)**	**11,947**

Consolidated Statement of Cash Flows

for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Loss for the year, after tax		**(5,774)**	(6,896)
Adjustments for:			
Taxation expense	13	**237**	1,005
Finance expense	12	**547**	455
Investment income	12	**(1)**	(2)
Amortisation of intangible assets	15	**3,957**	3,380
Depreciation of property, plant and equipment	16	**687**	913
Depreciation of right-of-use assets	17	**2,499**	3,482
Equity-settled share-based payments expense	27	**1,627**	1,525
Exception items	4.1	**445**	405
Forgiven Loan		**(1,000)**	—
Movement in working capital:			
Increase in inventories		**(32)**	(9)
Decrease in trade and other receivables		**1,234**	4,128
Increase in trade and other payables		**(429)**	(1,190)
Cash from operations		**3,997**	7,196
Tax paid		**(470)**	(150)
Net cash from operating activities		**3,527**	7,046
Cash flows from investing activities			
Purchase of intangible assets	15	**(5,393)**	(5,308)
Purchase of property, plant and equipment	16	**(177)**	(217)
Finance income	12	**1**	2
Net cash used in investing activities		**(5,569)**	(5,523)
Cash flows from financing activities			
Lease liability repayments	25	**(2,599)**	(3,162)
Sale/(purchase) of treasury shares		**10**	(45)
Loan receipts	24	**—**	1,000
Interest paid on loan		**(15)**	—
Interest received		**—**	5
Interest paid on IFRS 16 lease liabilities	25	**(284)**	(448)
Cash receipts from issue of share capital		**876**	—
Net decrease in cash and cash equivalents		**(2,012)**	(2,650)
Foreign currency movements		**(241)**	(257)
Net decrease in cash and cash equivalents		**(4,295)**	(1,384)
Cash and cash equivalents at beginning of period		**10,957**	12,341
Cash and cash equivalents at end of period			
Cash at bank and in hand		**6,662**	10,957
Cash and cash equivalents		**6,662**	10,957

Notes to the Financial Statements

1. Accounting policies

Company information

Ten Lifestyle Group Plc (registered company 08259177) is a public company, limited by shares and listed on the Alternative Investment Market (AIM) in November 2017. The Company is incorporated and domiciled in the UK. The registered office is 2nd Floor, 2,355 Euston Road, London NW1 3AL. The Company previously traded under the name Ten Lifestyle Holdings Limited until 2 November 2017.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (except as otherwise stated).

The financial information has been prepared on the historical cost basis except that the derivative financial instruments are stated at their fair value.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in this financial information.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

There are no new standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods.

1.2 Consolidation

The financial information represents the consolidated financial information of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. The Company controls a subsidiary/investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the year ended 31 August 2013, Ten Lifestyle Group Plc, formerly Ten Lifestyle Holdings Limited, a company under common control of the Ten Lifestyle Management Limited shareholders, acquired Ten Lifestyle Management Limited from its shareholders in return for an issue of shares. As a combination of entities under common control, the transaction falls outside the scope of the standard IFRS 3 "Business Combinations".

Paragraph 10 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" requires management to use its judgement in developing and applying a policy that is relevant and reliable, represents faithfully the transaction, reflects the economic substance of the transaction, is neutral, is prudent and is complete in all material respects when selecting the appropriate methodology for consolidation accounting.

In accordance with merger accounting, consolidated accounts have been prepared for the reconstructed Group as if it had always been in existence. The carrying value of assets and liabilities has not been adjusted to fair value. The difference between the nominal value of the shares issued and the nominal value of the shares received has been recorded in the merger reserve.

The cost of the Company's shares held by the Employee Benefit Trust (EBT) is deducted from equity in the consolidated statement of financial position. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the EBT are recognised as assets and liabilities of the Group other than when they relate to other Group companies and are therefore eliminated.

1.3 Segment reporting

The Group's operating segments are based on the management reporting used by the CEO (who is considered to be the chief operating decision maker) and reviewed by the Board of Directors to make strategic decisions and allocate resources.

1.4 Going concern

The consolidated financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its cash balances and wider working capital management. The current economic conditions continue to create uncertainty, particularly over (a) corporate members' engagement; and (b) supplier revenue volumes. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to be able to operate within the level of its current cash resources. Having assessed the principal risks and the other matters discussed in connection with the going concern statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

1. Accounting policies continued

1.4 Going concern continued

Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios, taking into account the continuing impact of the COVID-19 pandemic. Overall, the Directors have prepared cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements, which foresee that the Group will be able to operate within its existing working capital facilities.

The COVID-19 pandemic has had an impact on our business and the Company has managed costs firmly to ensure operating performances align with pre-COVID-19 levels so the Board believes that the business is able to navigate through the continued impact of COVID-19 due to the strength of its member proposition, its balance sheet and the net cash position of the Group.

The continued challenges of the COVID-19 pandemic have caused significant disruption to many businesses where the implementation of various and changing social distancing measures, travel restrictions and related rules and this had an implication for the wider global economy and specifically for the supply chain within which we reside – primarily our members' willingness or ability to use our services in the volumes planned prior to the pandemic. The selection of assistance services available to our customers has been increased in the year, which has encouraged their engagement. There is, however, a risk that the Group will be further impacted by continued social distancing restrictions impacting the volume of member engagement and by prospective corporate clients delaying launches. If Net Revenue is not in line with cash flow forecasts, the Directors have identified cost savings associated with the reduction in revenue and have the ability to identify further cost savings if necessary.

Having assessed the principal risks and other matters discussed in connection with the going concern statement, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

Revenue comprises Concierge revenue (from Corporate clients and the Private membership base), Supplier revenue and other revenue generated from member transactions. An entity is a principal if it controls the specified good or service before that good or service is transferred to a customer. The Group is principal in all services provided, other than in those transactions with members detailed below in the indirect concierge service revenue section. A typical concierge contract duration is 36 months. Revenue is stated exclusive of VAT, sales tax and trade discounts.

Revenue is recognised when the Group has fulfilled its performance obligations under the relevant customer contract. To the extent that invoices are raised to a different pattern than the revenue recognition described below, appropriate adjustments are made through deferred and accrued income to account for revenue when the performance obligations have been met.

Furthermore, the Group receives payments from members for the concierge service which are invoiced on 30-day payment terms and commissions earned on agent transactions are generally received on booking dates or when deposits are due.

The Group primarily provides a concierge service (both online and offline). Where goods and/or services are sold in one bundled transaction, the Group allocates the total arrangement's consideration to the different individual elements based on their relative fair values. Management determines the fair values of individual components based on actual amounts charged by the Group on a standalone basis given the lack of comparable pricing arrangements observable in the market.

The nature, timing of satisfaction of performance obligations and significant payment terms of revenue obtained by the Group are considered below:

Direct concierge service revenue

The Group provides concierge services to its members (online and/or offline) and recognises concierge consideration at the point in time the performance obligation of managing a request is fulfilled. The Group uses the residual approach to determine the transaction price given the lack of observable market prices available given the niche nature of the services provided.

Where the Group's performance of its obligations exceeds amounts received, accrued income or a trade receivable is recognised depending on Group's billing rights. Where the Group's performance of its obligations under a contract is less than amounts received, a contract liability in deferred income is recognised. The amount of revenue recognised can be subject to contract structures including variable consideration and cap and collar thresholds. Where variable pricing structures are in place with predetermined service thresholds, price per service unit is based on the expected entitlement (most likely method) earned up to the statement of financial position date under each customer agreement.

On implementing a customer contract, it is typical for the Group to charge concierge enabling fees. Where concierge enabling fees are capable of being separated out from an ongoing service contract, revenue will be recognised in full at the point in time of the launch of the service (high touch or online). When the service is not distinct, this cannot be separated from the contract and is therefore recognised over the contract term. Where the service is invoiced in advance and is yet to be launched (i.e. the performance obligation is not fulfilled), a contract liability will be held on the statement of financial position in deferred income.

Notes to the Financial Statements continued

1. Accounting policies continued

1.5 Revenue continued

Indirect concierge service revenue

Acting as Agent (Supplier Revenue)

The Group acts as an agent when it is not the primary party responsible for providing the components that make up the members booking and does not control the components before they are transferred to members. Revenue comprises the fair value of the consideration received or receivable in the form of commission. Commissions are earned from the member through purchases of travel products such as hotel accommodation or flight tickets from third party suppliers. Commission is recognised when the performance obligation of arranging and facilitating the member to enter into individual contracts with suppliers is satisfied, usually on delivery of the booking confirmation.

Cancellations are estimated at the reporting date based on the historical profile of cancellations. Revenue is stated net of cancellations and expected cancellations.

Acting as Principal (Supplier Revenue)

The Group acts as a principal when it is the primary party responsible for providing the components that make up the members booking and it controls the components before transferring to the member. Revenue represents amounts received or receivable for the sale of package holidays and other services supplied to members. Revenue is recognised when the performance obligation on delivering an integrated package holiday or service is satisfied, usually over the duration of the holiday.

Service fees and offer income

These are related to Corporate clients (Corporate Revenue) and recognised over the year to which the fees or offer relate. Where invoiced in advance, the fees and offer income is deferred and released over the year of the service with the balance recorded within deferred income in the statement of financial position.

Digital platform revenue

The Group provides an optional digital platform (the Ten Digital Platform) offering to its customers under corporate contracts (Corporate Revenue). Revenue generated from licensing digital products and software maintenance is recognised on a straight line basis over time attributed to the licence.

The nature of the Group's promise in granting a licence is a promise to provide a right to access the Group's intellectual property as the customer benefits from periodic upgrades to the platform.

Where such revenue is invoiced in advance, the revenue is deferred and released over the period of the licence with the contract liability recorded within deferred income in the statement of financial position.

Revenue generated from developing digital products is recognised at the point in time of the delivery of the service. Where revenue is based on time spent, rate cards are recognised at the contracted rates as labour hours are incurred. Where development income is invoiced in advance, the revenue is deferred as a contract liability with the balance recorded within deferred income in the statement of financial position and released on service delivery.

1. Accounting policies continued

1.6 Intangible assets

Research expenditure is expensed to the income statement in the year in which it is incurred; expenditure on internal projects is capitalised if it can be demonstrated that:

- it is technically and commercially feasible to develop the asset for future economic benefit;
- adequate resources are available to maintain and complete the development;
- there is the intention to complete and develop the asset for future economic benefit;
- the Group is able to use the asset;
- use of the asset will generate future economic benefit; and
- expenditure on the development of the asset can be measured reliably.

Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Trademarks	- 10% straight line
Capitalised development costs	- 20% straight line
Website	- 33% straight line

The basis for choosing these useful lives is with reference to the years over which they can continue to generate value for the Group.

Amortisation charges are included within administrative expenses in the consolidated statement of comprehensive income. The Group reviews the amortisation year and methodology when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at historical cost and subsequently measured at historical cost, net of depreciation and any impairment losses.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the term of the lease
Fixtures and fittings	20% straight line
Office equipment	20% to 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.8 Non-current investments

The Company's interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.9 Impairment of tangible and intangible assets

All tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs).

Notes to the Financial Statements continued

1. Accounting policies continued

1.10 Financial assets

In adopting IFRS 9, the impairment of financial assets was the only area of impact on the financial information in comparison to the previous reporting period.

The Group now reviews the amount of credit loss associated with its trade receivables based on a provision matrix and forward-looking estimates that consider current and forecast credit conditions as opposed to relying solely on past historical default rates.

In adopting IFRS 9, the Group has applied the simplified approach by applying a provision matrix based on number of days past due to measure lifetime expected credit losses. This takes into account the applicable customer credit risk profile and current and forecast trading conditions.

Using the approach described above the current year saw an expected credit loss position of £221k.

All financial assets are held under the business model of holding the assets to collect the contractual cash flows arising from them assets, which are made up solely of payments of the principal and interest. Therefore, all financial assets are classified at amortised cost.

Except for trade receivables, financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Trade receivables do not contain significant financing components and therefore are initially recognised at their transaction price, and subsequently treated in line with other financial assets. Except for trade receivables, impairment provisions are recognised as an expected credit loss provision under the general approach, being the expected credit loss over the next twelve months.

Where there is a credit risk on a financial asset that has increased significantly, the impairment provision is measured at the lifetime expected credit loss. Impairment for trade receivables will be measured under the simplified approach with an expected credit loss percentage applied to each ageing category. All financial assets will be reported net of impairment; when the Group has no reasonable expectation of recovering a financial asset, the portion that is not recoverable is derecognised.

These financial assets comprise trade and other receivables, accrued income, and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

1.11 Financial liabilities

Financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Any tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Research and development tax credit

Companies within the Group may be entitled to claim special tax allowances in relation to qualifying research and development (R&D) expenditure (e.g. R&D tax credits). The Group accounts for such allowances as tax credits, which means that they are recognised when it is probable that the benefit will flow to the Group and that benefit can be reliably measured. They are claimed through the research and development expenditure credit (RDEC) tax credit scheme and recognised in the financial statements through other income on the income statement and other receivables on the balance sheet, until the cash is received.

1. Accounting policies continued

1.13 Taxation continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to "other comprehensive income", in which case the deferred tax is also dealt with in "other comprehensive income". Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the Group obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets. The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received.

1.16 Retirement benefits

The Group operates a defined contribution pension plan, under which the Group pays contributions to privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using appropriate pricing models. The fair value determined at the grant date is expensed on a straight line basis over the vesting year based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The Group schemes, which award shares in the parent entity, include recipients who are employees in certain subsidiaries. In the consolidated financial statements, the transaction is treated as an equity-settled share-based payment, as the Group has received services in consideration for the Group's equity instruments. An expense is recognised in the Group income statement for the grant date fair value of the share-based payment over the vesting year, with a credit recognised in equity.

Notes to the Financial Statements continued

1. Accounting policies continued

1.17 Share-based payments continued

In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting year, with a credit recognised in equity. The credit to equity is treated as a capital contribution, as the parent company is compensating the subsidiaries' employees with no cost to the subsidiaries as there is no expectation to recharge this cost. In the parent company's financial statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the parent company recognising an increase in the investment in the subsidiaries as a capital contribution from the parent and a credit to equity.

1.18 Foreign currency

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the statement of financial position date. Any gain or loss arising from a change in the exchange rates after the date of the transaction is included as a gain or loss in other comprehensive income.

Exchange differences arising on a monetary item that forms part of a Group entity's net investment in a foreign operation are recognised in profit or loss, of the group entity carrying the foreign exchange risk. In the financial statements that include the foreign operation and the reporting entity (e.g the Group's consolidated financial statements) and where the monetary item is deemed as permanent as equity, such exchange differences shall be recognised in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

The statements of financial position of the foreign subsidiaries are translated into Sterling at the rate at the year end. The results of the foreign subsidiaries are translated into Sterling at the average rate of exchange during the financial year. Exchange differences which arise from the translation of opening net assets of the foreign subsidiary undertakings are included in the consolidated statement of comprehensive income.

1.19 Descriptions of nature of each component of equity

The components of the Group's equity can be described as follows:

- Share capital – The amount for the nominal value of shares issued.
- Share premium – The amount subscribed for share capital in excess of nominal value, after deducting costs of issue.
- Foreign exchange reserve – This reserve relates to exchange differences arising on the translation of the balance sheet of the Group's foreign operations at the closing rate and the translation of the income statement of those operations at the average rate.
- Merger reserve – Under the provisions of Section 612 of the Companies Act 2006, the merger reserve represents the difference between the consideration paid and the book value of the net assets acquired, as part of a legacy Group reconstruction.
- Treasury reserve – The reserve relates to shares held in the Group's Employee Benefit Trust.
- Retained deficit – The retained deficit reserve contains the net gains and losses recognised in the consolidated statement of comprehensive income.

1.20 Inventories

Inventories comprise tickets held for resale and are stated at the lower of cost or net realisable value. Consignment tickets are not included within stocks held by the Group. Inventories are valued using a first-in first-out (FIFO) method.

1.21 Government grants and assistance

Government grants and assistance are recognised in the related expense line in the profit and loss on a systematic basis over the period in which the entity recognises the expenses, for which the grant is intended to compensate.

Therefore, the grants in recognition of specific expenses are recognised in the related expense line within the profit or loss in the same period.

The pay check protection program ('PPP') loan received under the U.S. CARES Act was initially recognised as a deferred income liability on the balance sheet and remained as such until the loan was forgiven by the Small Business Administration in the United States, which evidenced there was reasonable assurance that the entity complied with the conditions associated with the terms of the PPP. At that point, the monies were released to the income statement as an income-related grant and presented as Other Income.

1. Accounting policies continued

1.22 IFRS 16 "Leases"

The Group leases various properties for office space. Rental contracts are typically made for rolling periods of one month to five years but might have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The Group has not applied the expedient to not recognise all classes of operating leases with a remaining lease term of less than twelve months as short-term leases. The policy applied has been applied consistently to leases of underlying assets in the same class whereas the transitional expedient can be applied on a lease-by-lease basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with leases of low-value assets are recognised on a straight line basis as an expense in the income statement. Low-value assets comprise IT equipment.

In May 2020, the IASB issued an amendment to IFRS 16 (COVID-19-Related Rent Concessions). It is effective for annual periods beginning on or after 1 June 2020, but earlier application was permitted, including in financial statements not authorised for issue at 28 May 2020. The amendment provided relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19-related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. While the Group was, amongst other limited and discrete lease term changes to existing leases, granted rent rebates as a direct consequence of the COVID-19 pandemic, it has not applied this practical expedient meaning that rent rebates and other lease changes to existing leases were accounted as modifications to the lease liability and right-of-use asset only.

2. Adoption of new and revised standards

There are no new standards that are yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods.

Notes to the Financial Statements continued

3. Critical accounting judgements and key sources of estimation uncertainty

IAS 1 requires disclosure of the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

In addition, IAS 1 requires disclosure of information about the assumptions the entity makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes to the financial statements include details of their nature and carrying amount at the end of the reporting period.

In the application of the Group and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 considered to be relevant. Actual results may differ from these estimates. The Directors do believe there are two areas within the financial statements which constitute critical accounting judgements as follows:

Incremental borrowing rate

Under IFRS 16, the Group recognises a right-of-use assets representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate (IBR) and adjusted to take into account the risk associated with the length of the lease which was up to five years, expected returns of the asset and the location of the lease. As a result of the significant impact on the balance sheet that the transition to IFRS 16 has had, determination of the discount rate is considered to be a significant judgement.

Incremental borrowing rate

The discount rate applied ranged between 5% and 12%. At the commencement date of property leases the Group determines the lease term to be the full term of the lease, assuming that any option to break or extend the lease is unlikely to be exercised.

Capitalisation of development costs

Development costs are capitalised based on an assessment of whether they meet the criteria specified in IAS 38 for capitalisation. During each reporting period, an assessment is performed by management to determine the time spent developing the intangible assets (note 16) as a proportion of total time spent in the year. This represents an area of judgement and impacts the value of intangible costs capitalised (2021: £5.4m; 2020: £5.3m).

Useful economic lives

Capitalised development costs in respect of TenMAID, the Ten Digital Platform and servicing infrastructure are amortised over their useful life of five years. The useful life is based on management's judgement which reflects the period over which the asset is expected to generate future economic benefits and is annually reviewed for appropriateness.

Material estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to material accounting estimates are recognised in the year in which the estimate is revised and future years as appropriate.

4. Segment reporting

The total revenue for the Group has been derived from its principal activity, the provision of concierge services. This has been disaggregated appropriately into operational segment and geographical location.

The Group has three reportable segments: Europe, the Middle East and Africa (EMEA), North and South America (the "Americas") and Asia-Pacific (APAC). Each segment is a strategic business unit and includes businesses with similar operating characteristics. They are managed separately in similar time zones to reflect the geographical management structure.

	2021 £'000	2020 £'000
EMEA	**18,120**	21,975
Americas	**9,875**	13,784
Asia	**6,670**	8,465
Net Revenue	**34,665**	44,224
Add back: cost of sales on principal member transactions	**394**	2,145
Revenue	**35,059**	46,369
EMEA	**6,157**	8,205
Americas	**(2,192)**	(3,862)
Asia	**466**	435
Adjusted EBITDA	**4,431**	4,778
Amortisation	**(3,957)**	(3,380)
Depreciation	**(3,186)**	(4,395)
Share-based payments expense	**(1,627)**	(1,525)
Exceptional items	**(645)**	(405)
Operating loss	**(4,984)**	(4,927)
Foreign exchange loss	**(246)**	(511)
Other net finance expense	**(307)**	(453)
Loss before taxation	**(5,537)**	(5,891)
Taxation expense	**(237)**	(1,005)
Loss for the year	**(5,774)**	(6,896)

Statutory revenue for the Americas and APAC segments are the same as the Net Revenue amounts disclosed above. Statutory revenue for the EMEA segment was £18,120k (2020: £24,120k).

Notes to the Financial Statements continued

4. Segment reporting continued

The Group's statutory revenue from external customers is generated from commercial relationships entered into by various Group companies, which, given the global nature of the Group's service delivery model, may not reflect the location where the services are delivered, as reflected in the Net Revenue segmentation noted below. The Group's statutory revenue split by contracting country is as laid out below:

	2021 £'000	2020 £'000
UK	**25,796**	34,134
USA	**3,110**	2,468
Switzerland	**5,395**	7,226
Rest of world	**758**	2,541
Revenue	**35,059**	46,369

The Group's statutory revenue is disaggregated into the following revenue streams as detailed in the revenue accounting policy (note 1.5). In addition, the Group disaggregates revenue into services where the Group is considered agent or principal as below:

	2021 £'000	2020 £'000
Direct concierge service revenue	**29,425**	38,896
Indirect concierge service revenue	**4,457**	6,235
Digital platform fees	**1,177**	1,238
Total revenue	**35,059**	46,369

	2021 £'000	2020 £'000
Corporate Revenue	**31,905**	40,947
Supplier Revenue	**3,154**	5,422
Total Revenue	**35,059**	46,369
Supplier Revenue (Cost of Sales on principal member transactions)	**(394)**	(2,145)
Net Revenue	**34,665**	42,145

	2021 £'000	2020 £'000
Revenue from services as principle	**34,453**	45,462
Revenue from services as agent	**606**	907
	35,059	46,369

Net Revenue is a non-GAAP company measure that excludes the direct cost of sales relating to member transactions managed by the Group, such as the cost of airline tickets sold under the Group's ATOL licences. Net Revenue is the measure of the Group's income on which segmental performance is measured.

Adjusted EBITDA is a company non-GAAP specific measure excluding interest, taxation, amortisation, depreciation, share-based payment and exceptional costs. Adjusted EBITDA is the main measure of performance used by the Group's Chief Executive Officer, who is considered to be the chief operating decision maker. Adjusted EBITDA is the principal operating metric for a segment.

The statement of financial position is not analysed between reporting segments. Management and the chief operating decision maker consider the statement of financial position at Group level.

Two customers generated more than 10% of total revenue each during the year ended 31 August 2021. The total combined revenue of these customers was £9.7m (2020: £10.2m) and was mainly included in the EMEA and Americas segments.

4. Segment reporting continued

4.1 Exceptional items

	2021 £'000	2020 £'000
Impairment of intangible asset	**(445)**	(405)
Other exceptional costs	**(200)**	—
	(645)	(405)

The impairment charge in the year related to specific know-how, enabling more cost-efficient servicing of concierge requests. An assessment of the database capitalised determined that a specific portion of this was less likely to generate future economic benefits due to the fall-out of the COVID-19 pandemic. Such impairment is considered to be one-off in nature and therefore presented as an exceptional item.

In addition, other exceptional costs were incurred in relation to a non-recurring project considered exceptional in nature.

5. Operating loss

Operating loss for the year is stated after charging:

	2021 £'000	2020 £'000
Research and development costs	**690**	912
Depreciation of property, plant and equipment	**687**	913
Depreciation of right-of-use assets	**2,499**	3,482
Amortisation of intangible assets	**3,957**	3,380
Bad debt expense	**221**	222
Government financial assistance	**(2,979)**	(1,623)
Exceptional items	**645**	405

During the year, the Group benefited from various forms of financial assistance from governments in countries where the Group operates, this was in relation to the COVID-19 pandemic. This largely included payroll subsidies (i.e. furlough) and the forgiveness of the US PPP loan. On 22 July 2020, the Group received a loan backed by the US government as part of the Payroll Protection Program for the value of $1.33m. The loan was fully forgiven in July 2021.

Notes to the Financial Statements continued

6. Auditor's remuneration

	2021 £'000	2020 £'000
For audit services		
Audit of the financial statements of the Company	**96**	86
Audit of the financial statements of the Company's subsidiaries	**13**	15
	109	101
For other services		
Tax services for the Company	**5**	4
Tax services for the Company's subsidiaries	**18**	26
Other services	**14**	8
	37	38

7. Employees

The average monthly number of persons (including Directors) employed by the Group during the year was:

	2021 Number	2020 Number
UK	**190**	235
International	**634**	735
	824	970

Their aggregate remuneration comprised:

	2021 £'000	2020 £'000
Wages and salaries	**20,918**	26,736
Social security costs	**2,736**	2,974
Pension costs	**657**	678
Share-based payments (note 27)	**1,626**	1,525
	25,937	31,913

During the year, the Group obtained government financial support under various schemes around the world in response to the COVID-19 pandemic. This support has reduced the wages and salaries expense for the Group. Employee headcount includes those who are supported by the aforementioned government initiatives.

8. Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	**992**	1,006
Pension contributions to defined contribution schemes	**7**	9
Share-based payments – gain on the exercise of share options during the year	**—**	—
	999	1,015

Full details of Directors' remuneration are presented in the Remuneration Committee Report on pages 50 to 54.

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	2021 £'000	2020 £'000
Remuneration for qualifying services	**304**	306
Share-based payments – expense	**250**	260
	554	566

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2020: two).

9. Key management personnel

	2021 £'000	2020 £'000
Short-term employee benefits	**1,324**	1,562
Post-employment benefits	**16**	26
Share-based payments – gain on the exercise of share options during the year	**126**	—
	1,466	1,588

Remuneration of key management personnel

The remuneration of key management personnel, including Directors, is set out above in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures". Key management personnel comprise the Directors of the Company, and senior staff with management responsibilities across the entire Group.

10. Related party transactions

Other than the related party transactions described above, there were no further related party transactions in the year to disclose.

11. Controlling party

In the opinion of the Directors, there is no one ultimate controlling party.

12. Net finance expense

	2021 £'000	2020 £'000
Loss on foreign exchange	**246**	511
Interest on bank overdrafts and loans	**15**	5
IFRS 16 interest charge (note 25)	**284**	448
Other net finance expense	**—**	1
Loan interest	**9**	1
Investment income	**(1)**	(2)
Total finance expense	**553**	964

Notes to the Financial Statements continued

13. Income tax expense

	2021 £'000	2020 £'000
Current tax		
Foreign taxes related to current year	**237**	659
Foreign taxes related to previous years	**—**	346
Total tax expense	**237**	1,005

The credit for the year can be reconciled to the loss per the income statement as follows:

	2021 £'000	2020 £'000
Loss before taxation	**5,537**	5,891
Expected tax credit based on a corporation tax rate of 19% (2020: 19%)	**(1,052)**	(1,119)
Income not taxable for tax purposes	**377**	—
Effect of expenses not deductible in determining taxable profit	**—**	6
Effect of taxes related to previous years	**—**	346
Movement in deferred tax not recognised	**987**	789
Overseas tax rate differences	**679**	983
Taxation expense for the year	**237**	1,005

The Group has tax losses carried forward at 31 August 2021 of £27.3m (2020: £22.1m). The movement in deferred tax not recognised is a result of the increase in these losses.

A deferred tax asset has not been recognised owing to uncertainty as to the level and timing of taxable profits in the future.

14. Loss per share

	2021 £'000	2020 £'000
Loss attributable to equity shareholders of the parent	**(5,774)**	(6,896)
Weighted average number of ordinary shares in issue (net of treasury)	**80,632,047**	80,103,503
Basic loss per share (pence)	**(7.2)p**	(8.6)p

Basic loss per ordinary share

Basic loss per ordinary share is calculated by dividing the net result for the year attributable to shareholders by the weighted number of ordinary shares outstanding during the year.

Diluted loss per ordinary share

Where the Group has incurred a loss in the year, the diluted loss per share is the same as the basic loss per share as the loss has an anti-dilutive effect. Therefore, basic and diluted loss per share for the years ended 31 August 2020 and 31 August 2021 are calculated on the same basis.

15. Intangible assets

	Capitalised development costs £'000	Website £'000	Trademarks £'000	Total £'000
Cost				
At 31 August 2019	25,122	1,909	55	27,086
Additions	5,308	—	—	5,308
Impairment	(405)	—	—	(405)
At 31 August 2020	30,025	1,909	55	31,989
Additions	5,393	—	—	5,393
Impairment	(445)	—	—	(445)
Reclassification (note 16)	63	—	—	63
Write-off	—	—	(55)	(55)
At 31 August 2021	**35,036**	**1,909**	**—**	**36,945**
Accumulated amortisation				
At 31 August 2019	16,143	1,879	55	18,077
Charge for the year	3,350	30	—	3,380
At 31 August 2020	19,493	1,909	55	21,457
Charge for the year	3,956	—	—	3,956
Reclassification (note 16)	32	—	—	32
Write-off	—	—	(55)	(55)
At 31 August 2021	**23,481**	**1,909**	**—**	**25,390**
Carrying amount				
At 31 August 2020	10,532	—	—	10,532
At 31 August 2021	**11,555**	**—**	**—**	**11,555**

All additions related to internal expenditure. The useful economic lives of the capitalised development platforms and website are assessed to be five years and three years respectively. The impairment charge in the year related to specific know-how, enabling more cost-efficient servicing of concierge requests. An assessment of the database capitalised determined that a specific portion of this was less likely to generate future economic benefits due to the fall-out of the COVID-19 pandemic.

Notes to the Financial Statements continued

16. Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost				
At 31 August 2019	538	654	5,534	6,726
Additions	41	—	176	217
Disposals	—	(73)	(1)	(74)
At 31 August 2020	579	581	5,709	6,869
Additions	30	—	147	177
Disposals	(526)	(189)	(3,068)	(3,783)
Reclassification (note 15)	—	—	(63)	(63)
At 31 August 2021	**83**	**392**	**2,725**	**3,200**
Accumulated depreciation				
At 31 August 2019	407	401	4,075	4,883
Charge for the year	83	70	760	913
Disposals	—	(52)	(1)	(53)
At 31 August 2020	490	419	4,834	5,743
Charge for the year	76	62	549	687
Disposals	(523)	(186)	(3,050)	(3,759)
Reclassification (note 15)	—	—	(32)	(32)
At 31 August 2021	**43**	**295**	**2,301**	**2,639**
Carrying amount				
At 31 August 2020	89	162	875	1,126
At 31 August 2021	**40**	**97**	**424**	**561**

17. Right-of-use assets

	Land and buildings £'000	Total £'000
At 31 August 2019	6,931	6,931
Additions	6,315	6,315
Lease modifications	(4,444)	(4,444)
Translation differences	(204)	(204)
At 31 August 2020	8,598	8,598
Additions	533	533
Lease modifications	(520)	(520)
Translation differences	(29)	(29)
At 31 August 2021	**8,582**	**8,582**
Accumulated depreciation		
At 31 August 2019	—	—
Charge for the year	3,482	3,482
At 31 August 2020	3,482	3,482
Charge for the year	2,499	2,499
At 31 August 2021	**5,981**	**5,981**
Carrying amount		
At 31 August 2020	5,116	5,116
At 31 August 2021	**2,601**	**2,601**

17. Right-of-use assets continued

Lease modifications relate to renegotiations on leases, agreed part way through the original lease term. Additions reflect the renegotiated position and further new office leases.

18. Subsidiaries

Details of the Company's subsidiaries at 31 August 2021 are as follows:

Name of undertaking	Country of incorporation	Ownership interest %	Voting power held %	Nature of business
Ten Lifestyle Management Limited[1]	UK	100	100	Concierge services
Ten Lifestyle Management (Asia) Limited	Hong Kong	100	100	Concierge services
Ten Lifestyle Management USA Inc.	USA	100	100	Concierge services
Ten Lifestyle Management (Canada) ULC	Canada	100	100	Concierge services
Ten Group Singapore PTE Limited	Singapore	100	100	Concierge services
Ten Group Japan K.K.	Japan	100	100	Concierge services
Ten Lifestyle Commercial Consulting (China)	China	100	100	Concierge services
Ten Lifestyle Management Limited S DE RL DE CV	Mexico	100	100	Concierge services
Ten Lifestyle Management Africa (Pty) Limited	South Africa	100	100	Concierge services
Ten Lifestyle Management India Private Limited	India	100	100	Concierge services
Ten Servicos de Concierge do Brasil Limited	Brazil	100	100	Concierge services
Ten Group Belgium BVBA	Belgium	100	100	Concierge services
Ten Group Australia Pty Limited	Australia	100	100	Concierge services
Ten Lifestyle Management Switzerland GmbH	Switzerland	100	100	Concierge services
Ten Group France SAS	France	100	100	Concierge services
Ten Group (RUS) LLC	Russia	100	100	Concierge services
Ten Group Norway AS	Norway	100	100	Concierge services
Ten Latin America Limited	UK	100	100	Dormant
Ten South America Limited	UK	100	100	Dormant
Ten Global Services Limited	UK	100	100	Dormant
Ten Travel Limited	UK	100	100	Dormant
Ten Professional Services Limited	UK	100	100	Dormant
Bailey Medical Support Limited	UK	100	100	Dormant

1 Shares held directly by Ten Lifestyle Group Plc.

Notes to the Financial Statements continued

18. Subsidiaries continued

The registered offices of the Company's subsidiaries are as follows:

Name of undertaking	Registered office
Ten Lifestyle Management Limited	2nd Floor, Fitzroy House, 355 Euston Road, London NW1 3AL, United Kingdom
Ten Lifestyle Management (Asia) Limited	Unit 21-101 WeWork Taikoo, Cityplaza Three, Taikoo, Hong Kong
Ten Lifestyle Management USA Inc.	149 New Montgomery Street, San Francisco CA, 94105, USA
Ten Lifestyle Management (Canada) ULC	1200 Bay Street, Suite 202, Toronto, Ontario M5R 2A5, Canada
Ten Group Singapore PTE Limited	63 Market Street, #11-04 Bank of Singapore Centre 048942, Singapore
Ten Group Japan K.K.	7F Sumitomo Sasazuka Taiyo Building, 1-48-3 Sasazuka, Shibuya-ku, Tokyo 151-0073, Japan
Ten Lifestyle Commercial Consulting (China)	Floor 12, Platinum Building, 233 Tai Cang Road, Huangpu District, Shanghai, 200020, China
Ten Lifestyle Management S DE RL DE CV	Torre Reforma Latino, Reforma 296, Piso 14, Suite 1400 Colonia Juárez, Mexico D.F., 06600
Ten Lifestyle Management Africa (Pty) Limited	7th Floor, 19 Louis Gradner Street, Foreshore, Cape Town 8001, South Africa
Ten Lifestyle Management India Private Limited	The Ruby, South East Wing, 9th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai 400028, Maharashtra, India
Ten Servicos de Concierge do Brasil Limited	Rua Gomes de Carvalho, No. 1356, Connjunto 131, Jardim Paulista, CEP 04547-005, Sao Paulo, Brazil
Ten Group Belgium BVBA	Brussels Airport Corporate Village, Leonardo Da Vin cilaan, 91935 Zaventem, Belgium
Ten Group Australia Pty Limited	Level 9, 401 Collins Street, 3000, Melbourne, Victoria, Australia
Ten Group France SAS	66 Avenue des Champs-Élysées, 75008, Paris, France
Ten Group (RUS) LLC	Office 612, Smolenskaya Square 3, 121099, Moscow, Russia
Ten Group Norway AS	9th Floor, 16 Dronning Eufemias Gate, 0191 Oslo, Norway
Ten Lifestyle Management Switzerland GmbH	Red Tower, Floor F0, Limmatstrasse 250, 8005, Zurich, Switzerland

The registered office of the dormant subsidiaries incorporated in the UK is 2nd Floor, Fitzroy House, 355 Euston Road, London NW1 3AL, United Kingdom.

19. Trade and other receivables

Trade receivables disclosed below are measured at fair value using the expected credit loss model.

	2021 £'000	2020 £'000
Trade receivables	**1,316**	2,052
Provision for bad and doubtful debts	**(221)**	(222)
	1,095	1,830
Other receivables	**1,050**	1,268
Prepayments and accrued income	**3,562**	3,843
	5,707	6,941

Movements in Group contract assets and liabilities were as follows:

- trade receivables have decreased from £1.8m to £1.1m at the reporting date;
- accrued income decreased from £1.85m to £0.04m at the reporting date with all accrued income recognised at 31 August 2020 being released during the year; and
- deferred income decreased from £1.92m to £0.64m at the reporting date with all deferred income recognised at 31 August 2020.

The fair value of trade and other receivables below is the same as the carrying value as credit risk has been addressed as part of impairment provisioning and, due to the short-term nature of the amounts receivable, they are not subject to other ongoing fluctuations in market rates.

20. Trade receivables – credit risk

Ageing of due and past due but not impaired debts	2021 £'000	2020 £'000
0–30 days	**1,006**	1,782
30–60 days	**134**	120
60–90 days	**39**	14
90–120 days	**31**	24
120+ days	**106**	112
	1,316	2,052
Provision for bad and doubtful debts	**(221)**	(222)
	1,095	1,830

The Group provides against trade receivables using the expected credit loss model as at the reporting date.

	Trade debtors £'000	Expected credit loss provision £'000	Expected credit loss provision %
0–30 days	1,006	48	5%
30–60 days	134	46	34%
60–90 days	39	20	52%
90–120 days	31	20	64%
120+ days	106	87	82%
	1,316	221	

The provision is based on prior experience using a provision matrix whilst considering an assessment of the current and future expected economic climate, in addition to taking into account the length of time that the receivable has been overdue.

Movement in the allowances for doubtful debts

	2021 £'000	2020 £'000
Balance at 1 September 2020	**222**	514
Movement in provision	**(1)**	(292)
Balance at 31 August 2021	**221**	222

21. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at banks and on hand – unrestricted	**6,185**	10,611
Cash at banks and on hand – restricted	**477**	346
Cash and cash equivalents	**6,662**	10,957
Cash and cash equivalents in the statement of cash flows	**6,662**	10,957

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Group holds cash in a restricted access account in respect of guarantees. These guarantees arise in the ordinary course of business and relate to the Group's travel operations. The guarantees are required under consumer protection schemes in certain markets and are provided by banks, which hold restricted cash to support the guarantee. As such, this guarantee will be required for the long term, unless local regulations are amended.

Notes to the Financial Statements continued

22. Trade and other payables

Group	2021 £'000	2020 £'000
Trade payables	**1,250**	787
Accruals and deferred income	**7,320**	7,148
Social security and other taxation	**2,099**	2,462
Other payables	**818**	1,509
	11,487	11,906

The fair values of trade and other payables are the same as the carrying values.

23. Provision – overseas tax liabilities

	2021 £'000	2020 £'000
Provision for overseas liabilities	**568**	596
Movements on provisions:		
At beginning of period	**596**	596
Movement in provisions in the year	**(28)**	—
At end of period	**568**	596

The liabilities relate to overseas tax liabilities. The liabilities will reduce as overseas tax filings are finalised and paid.

24. Borrowings

	2021 £'000	2020 £'000
Long-term loan	**—**	1,000
	—	1,000

On 22 July 2020, the Group received a loan backed by the US government as part of the Payroll Protection Program (US PPP) for the value of $1.33m. The loan was fully forgiven in July 2021. Thus, the loan was recognised as other income in the statement of profit and loss.

25. Lease liabilities

	2021 £'000	2020 £'000
In one year or less	**1,617**	2,952
Between one and five years	**1,756**	3,254
Total undiscounted lease liabilities at 31 August 2021	**3,373**	6,206
Lease liabilities included in the statement of financial position at 31 August 2021		
Current	**1,504**	3,335
Non-current	**1,678**	2,668
	3,182	6,003
Amounts recognised in the comprehensive income statement		
Interest expense on lease liabilities (note 12)	**284**	448
Lease liability repayment	**2,599**	3,162

Discount rate

The discount rate used is based on the Group's estimated cost of debt. The discount rate applied is 6%, which is the Group's incremental borrowing rate.

26. Share capital

	2021 £'000	2020 £'000
81,877,635 ordinary shares of £0.001 each	**81,878**	80,650
	81,878	80,650

There were no share issues during the financial year ended 31 August 2021. All shares are fully paid.

Own shares held

An Employee Benefit Trust (Ten Group Employee Benefit Trust) was established in February 2012. The Trust holds 542,186 ordinary shares at £0.2m. These shares held are treated as treasury shares and are included in the treasury reserve in the consolidated statement of financial position.

27. Share options

All share options relating to the UK tax authority approved Enterprise Management Incentive (EMI) share option plan and the unapproved share option plan fully vested on completion of the IPO other than those options with performance conditions which were not met and therefore lapsed. The Company Share Option Plan (CSOP) remains in place and the Management Incentive Plan (MIP) commenced on 9 November 2017. As part of the Group's COVID-19 cost saving measures, a Salary Sacrifice Scheme (SSS) was first launched in March 2020, allowing employees to sacrifice a proportion of their salary over a four-month period in return for share options.

For CSOP and MIP schemes, the holder must be in continued employment of the Company for three years for the option to vest. All options unexercised after a period of ten years from the date of grant expire.

For the SSS, the holder must sacrifice the pre-agreed amount of salary to vest the options granted. All options unexercised after a period of three years from the date of grant expire.

The Group has no legal or constructive obligation to repurchase or settle options in cash.

Options are exercisable at a range of between £0.001 per share and £1.60 per share. The weighted average remaining contractual life of the share options outstanding at 31 August 2021 is 3.6 years.

The total expense recognised for the year ended 31 August 2021 arising from equity-settled share-based payment transactions amounted to £1.6m (2020: £1.5m).

	Number	Weighted average exercise price £
Number of options outstanding at 31 August 2019	4,737,526	0.43
Granted in the year – CSOP	25,226	1.19
Granted in the year – MIP	722,000	0.001
Granted in the year – SSS	5,495,423	0.82
Cancelled in the year – SSS	(100,592)	0.81
Forfeited in the year – CSOP	(125,210)	0.60
Number of options outstanding at 31 August 2020	10,754,373	0.42
Granted in the year – CSOP	1,550,891	0.72
Granted in the year – MIP	655,000	0.001
Granted in the year – SSS	3,900,966	1.04
Exercised in the year – SSS	(542,680)	0.70
Forfeited in the year – CSOP	(121,827)	0.87
Exercised in the year – CSOP	(580,000)	0.75
Cancelled in the year – SSS	(126,376)	0.87
Exercised in the year – EMI	(104,024)	0.51
Lapsed in the year – MIP	(1,076,000)	0.001
Number of options outstanding at 31 August 2021	14,310,323	0.74

Notes to the Financial Statements continued

27. Share options continued

		As at 31 August 2021	As at 31 August 2020	Exercise price £	Remaining contractual life (years)
January 2013 to January 2023	EMI	**81,336**	97,336	0.22	1.4
January 2013 to January 2023	EMI	**24,672**	24,672	0.54	1.4
January 2013 to January 2023	EMI	**9,440**	9,440	0.41	1.4
May 2014 to January 2023	EMI	**29,416**	29,416	0.41	1.7
December 2015 to December 2025	EMI	**34,968**	122,992	0.56	4.3
August 2017 to August 2027	CSOP	**700,000**	1,240,000	0.75	6.0
December 2017 to December 2027	MIP	**140,000**	1,216,000	0.001	6.3
February 2018 to February 2028	CSOP	**—**	—	1.55	6.5
March 2018 to March 2028	CSOP	**9,375**	9,375	1.60	6.5
April 2018 to April 2028	MIP	**68,956**	68,956	0.001	6.6
May 2018 to May 2028	CSOP	**22,222**	22,222	1.35	6.7
August 2018 to August 2028	CSOP	**33,725**	33,725	0.87	7.0
September 2018 to September 2028	CSOP	**34,483**	34,483	0.87	7.0
September 2018 to September 2028	MIP	**112,360**	112,360	0.001	7.0
November 2018 to November 2028	CSOP	**46,875**	86,875	0.69	7.2
November 2018 to November 2028	MIP	**344,828**	344,828	0.001	7.2
December 2018 to December 2028	CSOP	**42,857**	42,857	0.87	7.3
January 2019 to January 2029	CSOP	**67,781**	67,781	0.87	7.4
April 2019 to April 2029	CSOP	**45,802**	45,802	0.66	7.6
June 2019 to June 2029	CSOP	**134,831**	134,831	0.89	7.8
June 2019 to June 2029	MIP	**490,000**	490,000	0.001	7.8
July 2019 to July 2029	CSOP	**25,424**	25,424	1.18	7.9
August 2019 to August 2029	CSOP	**340,336**	352,941	1.19	8.0
September 2019 to September 2029	CSOP	**18,987**	—	0.79	8.0
October 2019 to October 2029	CSOP	**12,295**	25,226	1.19	8.1
December 2019 to December 2029	MIP	**722,000**	722,000	0.001	8.3
March 2020 to March 2023	SSS	**3,504,248**	4,062,336	0.70	1.5
July 2020 to July 2023	SSS	**1,242,108**	1,332,495	1.20	1.9
August 2020 to August 2023	CSOP	**18,987**	—	0.79	2.0
September 2020 to September 2023	CSOP	**1,402,597**	—	0.77	2.0
March 2021 to March 2024	CSOP	**14,018**	—	1.07	2.5
November 2020 to November 2023	SSS	**2,098,650**	—	1.00	2.2
March 2021 to March 2024	SSS	**1,781,745**	—	1.10	2.5
December 2020 to December 2030	MIP	**655,000**	—	0.001	9.3
		14,310,323	10,754,373		

The periods noted in the table below reflect the month during which the options were awarded to the month of expiration. For the share options granted during the year, the weighted average fair value of the options is £0.74.

Management Incentive Plan

Under the MIP 543,000 options were issued in the 2021 financial year, on conditional achievement of performance conditions based on total shareholder return (market) and, for some participants, operational targets (non-market). A further 112,000 share options were issued, conditional on three years of employment service (non-market) from the date of grant. All share options granted under the MIP can be exercised at nominal ordinary share value (£0.001p).

Salary Sacrifice Scheme

Under the SSS, the Group offered its employees the opportunity to sacrifice salary over two four-month periods in exchange for share options resulting in the issue of 3,900,966 options in the 2021 financial year. The sacrifices ranged from 5% to 50% of salary over the grants.

27. Share options continued

Company Share Option Plan

Under the CSOP 1,550,891 options were issued to eligible employees in the 2021 financial year. These shares were issued under a conditional three years of employments service (non-market) from date of grant.

Valuation of share options

The fair value of options subject to non-market based vesting conditions was measured using a Black Scholes model and those options with market-based conditions using a Monte Carlo simulation model.

The fair value of the outstanding options without performance conditions was measured using the Black Scholes option valuation model. The inputs to that model in respect of the share options outstanding under each issue as at the year ended 31 August 2021 and 31 August 2020 were as follows:

	EMI	EMI	EMI
Grant month	January 2013	May 2014	December 2015
Weighted average share price	£3.31	£3.31	£6.00
Weighted average exercise price	£3.31	£3.31	£4.50
Expected volatility	72%	58%	42%
Weighted average risk-free rate	1.00%	1.56%	0.21%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	4	3
Weighted average fair value at date of grant	£1.94	£1.52	£2.36

	CSOP	MIP	CSOP
Grant month	August 2017	December 2017	May 2018
Weighted average share price	£6.00	£1.43	£1.35
Weighted average exercise price	£6.00	£0.001	£1.35
Expected volatility	72%	30%	30%
Weighted average risk-free rate	0.44%	0.56%	0.63%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	3	5
Weighted average fair value at date of grant	£3.49	£1.42	£0.86

	CSOP	CSOP	CSOP
Grant month	August 2018	September 2018	November 2018
Weighted average share price	£0.91	£0.87	£0.75
Weighted average exercise price	£0.91	£0.87	£0.75
Expected volatility	30%	30%	30%
Weighted average risk-free rate	0.99%	0.99%	0.99%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	5	5
Weighted average fair value at date of grant	£0.90	£0.86	£0.74

	CSOP	CSOP	CSOP
Grant month	December 2018	January 2019	June 2019
Weighted average share price	£0.35	£0.44	£0.89
Weighted average exercise price	£0.35	£0.44	£0.89
Expected volatility	30%	30%	30%
Weighted average risk free-rate	0.99%	0.99%	0.60%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	5	5
Weighted average fair value at date of grant	£0.35	£0.44	£0.85

Notes to the Financial Statements continued

27. Share options continued
Valuation of share options continued

	CSOP	CSOP	MIP
Grant month	July 2019	August 2019	December 2019
Weighted average share price	£1.18	£1.19	£1.22
Weighted average exercise price	£1.18	£1.19	£0.00
Expected volatility	30%	30%	30%
Weighted average risk-free rate	0.40%	0.33%	0.95%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	5	3
Weighted average fair value at date of grant	£1.02	£0.96	£1.21

	SSS	SSS	MIP
Grant month	March 2020	July 2020	December 2020
Weighted average share price	£0.50	£0.94	£0.93
Weighted average exercise price	£0.7	£0.9	£0.001
Expected volatility	74%	50%	61%
Weighted average risk-free rate	0.30%	0.1%	0.1%
Expected dividend yield	—	—	—
Weighted average option life (years)	1.5	1.5	3
Weighted average fair value at date of grant	£0.07	£0.14	£0.93

	CSOP	CSOP	CSOP
Grant month	August 2020	September 2020	March 2021
Weighted average share price	£0.79	£0.77	£1.07
Weighted average exercise price	£0.79	£0.77	£1.07
Expected volatility	50%	50%	50%
Weighted average risk-free rate	0.1%	0.1%	0.1%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	5	5
Weighted average fair value at date of grant	£0.34	£0.33	£0.46

	SSS	SSS
Grant month	November 2020	March 2021
Weighted average share price	£0.95	£0.90
Weighted average exercise price	£1.00	£1.10
Expected volatility	51%	52%
Weighted average risk-free rate	0.1%	0.1%
Expected dividend yield	—	—
Weighted average option life (years)	1.5	1.5
Weighted average fair value at date of grant	£0.21	£0.14

27. Share options continued
Valuation of share options continued

The fair value of the outstanding options with performance conditions was measured using the Monte Carlo simulation model. The inputs to that model in respect of the share options outstanding under each issue as at the year ended 31 August 2021 and 31 August 2020 were as follows:

	MIP	MIP	MIP	MIP
Grant month	December 2017	April 2018	September 2018	November 2018
Weighted average share price	£1.43	£1.15	£0.30	£0.29
Weighted average exercise price	£0.001	£0.001	£0.001	£0.001
Expected volatility	30%	30%	30%	30%
Weighted average risk-free rate	0.56%	0.56%	0.78%	0.78%
Expected dividend yield	—	—	—	—
Weighted average option life (years)	3	3	3	3
Weighted average fair value at date of grant	£0.49	£0.39	£0.09	£0.09

	MIP	MIP	MIP
Grant month	June 2019	December 2019	December 2020
Weighted average share price	£0.98	£1.22	£0.93
Weighted average exercise price	£0.001	£0.001	£0.001
Expected volatility	30%	30%	60%
Weighted average risk-free rate	0.54%	0.54%	0.1%
Expected dividend yield	—	—	—
Weighted average option life (years)	3	3	3
Weighted average fair value at date of grant	£0.82	£1.04	£0.45

The share price volatility fluctuated for the different share option schemes due to different years that apply to each of the schemes in existence. The risk-free rate is based on the average Bank of England base rate in the year.

Expected share price volatility is based on similar listed entities and varies due to the different years that apply to each of the schemes in existence. For the Salary Sacrifice Scheme, expected share price volatility is based on the Group's share price volatility.

28. Capital commitments
At 31 August 2021 the Group had no material capital commitments (2020: £nil).

29. Financial instruments and financial risk management
Financial instruments
The Group's principal financial liabilities comprise trade and other payables and borrowings. The primary purpose of these financial liabilities is to finance the operations. The Group has trade and other receivables and cash that derive directly from its operations.

Financial assets

	2021 £'000	2020 £'000
Cash at banks and on hand – unrestricted	**6,185**	10,611
Cash at banks and on hand – restricted	**477**	346
Trade and other receivables	**4,262**	4,950

Financial liabilities

	2021 £'000	2020 £'000
Trade and other payables	**4,880**	5,751
Lease liabilities	**3,182**	6,003
Long-term loan	**—**	1,000

The Directors consider that the carrying amount for all financial assets and liabilities approximates to their fair value.

Notes to the Financial Statements continued

29. Financial instruments and financial risk management continued

Financial risk management

The Company is exposed to market risk, which includes interest rate risk and currency risk, credit risk and liquidity risk. The senior management oversees the management of these risks and ensures that the financial risk taken is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite.

The Board of Directors reviews and agrees the policies for managing each of these risks, which are summarised below:

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Group is exposed to transactional and translation exchange risk. Transactional foreign exchange risk arises from sales or purchases by a Group company in a currency other than that company's functional currency. Translation foreign exchange risk arises on the translation of profits earned in Euros, US Dollars, Swiss Francs, Brazilian Real and Japanese Yen to Sterling and the translation of net assets denominated in Euros, US Dollars, Swiss Francs, Brazilian Real and Japanese Yen to Sterling, the Group's functional currency.

Each of the companies in the Group trades almost exclusively in its functional currency, minimising transactional foreign exchange risk.

	EUR 1	USD 1	CHF 1	JPY 1	BRL 1
Year ended 31 August 2020					
Average rate	1.14	1.27	1.23	137.16	5.99
Year-end spot rate	1.12	1.33	1.21	141.19	7.25
Year ended 31 August 2021					
Average rate	**1.14**	**1.36**	**1.24**	**145.97**	**7.30**
Year-end spot rate	**1.17**	**1.38**	**1.26**	**151.31**	**7.12**

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% decrease in Great British Pounds against the relevant foreign currencies which the Directors believe could have the most significant impact on the performance of the Group. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

For a 5% strengthening of Great British Pounds against the relevant currency there would be a comparable impact on the profit and other equity, in the opposite direction.

	Profit or loss	
	2021 £'000	2020 £'000
Euro	**58**	42
US Dollar	**(436)**	(513)
Swiss Franc	**(187)**	(170)
Japanese Yen	**(143)**	(151)
Brazilian Real	**(5)**	24
	(713)	(768)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group accepts the risk of losing interest on deposits due to interest rate reductions. Any interest charged on outstanding loans are at fixed rates.

The Directors do not believe the interest rate risk to be material and therefore no sensitivity analysis has been prepared.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including cash deposits with banks and financial institutions.

29. Financial instruments and financial risk management continued

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored and discussed at executive management and Board level.

The requirement for impairment is analysed at each reporting date. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low as receivables are principally with large financial institutions.

Financial instruments and cash deposits

Credit risk from cash balances with banks and financial institutions is managed in accordance with the Company's policy. Credit risk with respect to cash is managed by carefully selecting the institutions with which cash is deposited.

Liquidity risk

The Group is not currently cash generative; however, funds were raised as part of the IPO in November 2017. In addition, the funds generated by operating activities are managed to fund short-term working capital requirements. The Board carefully monitors the levels of cash and is comfortable that it has sufficient cash for normal operating requirements. The Group currently holds no committed lines of credit.

The following table details the Group's remaining contractual maturity for its financial liabilities based on undiscounted contractual payments:

	Within 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Total £'000
At 31 August 2020				
Trade and other payables	5,718	—	—	5,718
Lease liabilities	2,952	3,254	—	6,206
Long-term loan	—	—	1,000	1,000
At 31 August 2021				
Trade and other payables	**4,880**	**—**	**—**	**4,880**
Lease liabilities	**1,617**	**1,756**	**—**	**3,373**

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while also maximising the operating potential of the business. The capital structure of the Group consists of cash and cash equivalents, long-term loan and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Group is not subject to externally imposed capital requirements.

30. Financial instruments carried at fair value

Financial instruments carried at fair value are measured by reference to the following fair value hierarchy prescribed by IFRS 13:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments are carried at fair value and measured under the level 3 valuation method.

31. Events after the balance sheet date

On 8 September 2021, a number of individuals chose to exercise and sell a total of 1,510,860 options received pursuant to the First Salary Sacrifice Scheme. The Company received £1.06m cash from the exercise of these options.

Company Statement of Financial Position

as at 31 August 2021

Company No: 08259177

	Notes	2021 £'000	2020 £'000
Non-current assets			
Investments	32	**48,333**	46,706
Total non-current assets		**48,333**	46,706
Current assets			
Trade and other receivables	33	**6**	—
Cash and cash equivalents	35	**73**	73
Amounts due from Group undertakings	35	**292**	—
Total current assets		**371**	73
Total assets		**48,704**	46,779
Current liabilities			
Trade and other payables	34	**(277)**	(137)
Amounts due to Group undertakings	34	**—**	(279)
Total current liabilities		**(277)**	(416)
Net current assets		**94**	(343)
Net assets		**48,427**	46,363
Equity			
Called up share capital	27	**82**	81
Share premium account		**29,356**	28,480
Retained earnings		**18,989**	17,802
Total equity		**48,427**	46,363

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the parent company profit and loss account and related notes. The Company's net loss after tax for the year was £440,000 (2020: £311,000 loss).

The financial statements were approved by the Board of Directors and authorised for issue on 24 November 2021 and are signed on its behalf by:

Alex Cheatle
Director

Alan Donald
Director

Company Statement of Changes in Equity

for the year ended 31 August 2021

	Notes	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 September 2019		81	28,480	16,588	45,149
Loss for the period		—	—	(311)	(311)
Total comprehensive loss for the year		—	—	(311)	(311)
Equity-settled share-based payments charge	27	—	—	1,525	1,525
Balance at 31 August 2020		81	28,480	17,802	46,363
Loss for the period		—	—	(440)	(440)
Total comprehensive loss for the year		—	—	(440)	(440)
Equity-settled share-based payments charge	27	—	—	1,626	1,626
Issue of new share capital		1	876	—	877
Balance at 31 August 2021		**82**	**29,356**	**18,989**	**48,427**

Company Statement of Cash Flows

for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Loss for the year after tax		**(439)**	(311)
Movement in working capital:			
Increase in trade and other receivables		**(298)**	—
(Increase)/decrease in trade and other payables		**(139)**	303
Net cash used by operating activities		**(876)**	(8)
Cash flows from financing activities			
Proceeds from issue of shares	27	**876**	
Net cash generated by financing activities		**876**	—
Net increase/(decrease) in cash and cash equivalents		**—**	(8)
Cash and cash equivalents at beginning of year		**73**	81
Cash and cash equivalents at end of year		**73**	73

Notes to the Company Financial Statements

32. Investments

All investments held by the Company are investments in subsidiaries which are held at cost.

	2021 £'000	2020 £'000
Investments in subsidiaries	**48,333**	46,706
Cost		
At 31 August 2020	**46,706**	45,181
Additions	**1,627**	1,525
At 31 August 2021	**48,333**	46,706
Carrying amount		
At 31 August 2020	**46,706**	
At 31 August 2021	**48,333**	

The addition in the year represents capital contributions of £1.6m made to the Company's subsidiaries in respect of the share option expense recognised on share options issued by the Company to employees of the appropriate subsidiaries.

Both of these transactions represent non-cash transactions during the year.

In the opinion of the Directors the value of the investment in the subsidiary undertakings is not less than the amount shown above. As a result, no impairment has been recorded in the year (2020: £nil).

33. Trade and other receivables

	2021 £'000	2020 £'000
Amounts due from Group companies	**292**	—
	292	—

34. Trade and other creditors

	2021 £'000	2020 £'000
Accruals	**92**	122
Other payables	**185**	15
Amounts due to Group companies	**—**	279
	277	416

35. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at banks and on hand – unrestricted	**73**	73
Cash and cash equivalents	**73**	73
Cash and cash equivalents in the company statement of cash flows	**73**	73

Notes to the Company Financial Statements continued

36. Financial instruments and financial risk management

Financial instruments

The Company has limited financial liabilities as its primary purpose is to hold investments in other Group companies. The Company's receivables largely relate to its funding of the operations of the Group.

Financial assets

	2021 £'000	2020 £'000
Cash at bank and in hand – unrestricted	**73**	73
Amounts due from Group undertakings	**292**	—
Trade and other receivables	**6**	—

Financial liabilities

	2021 £'000	2020 £'000
Amounts due to Group undertakings	**—**	283
Trade and other payables	**277**	137

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