Ten

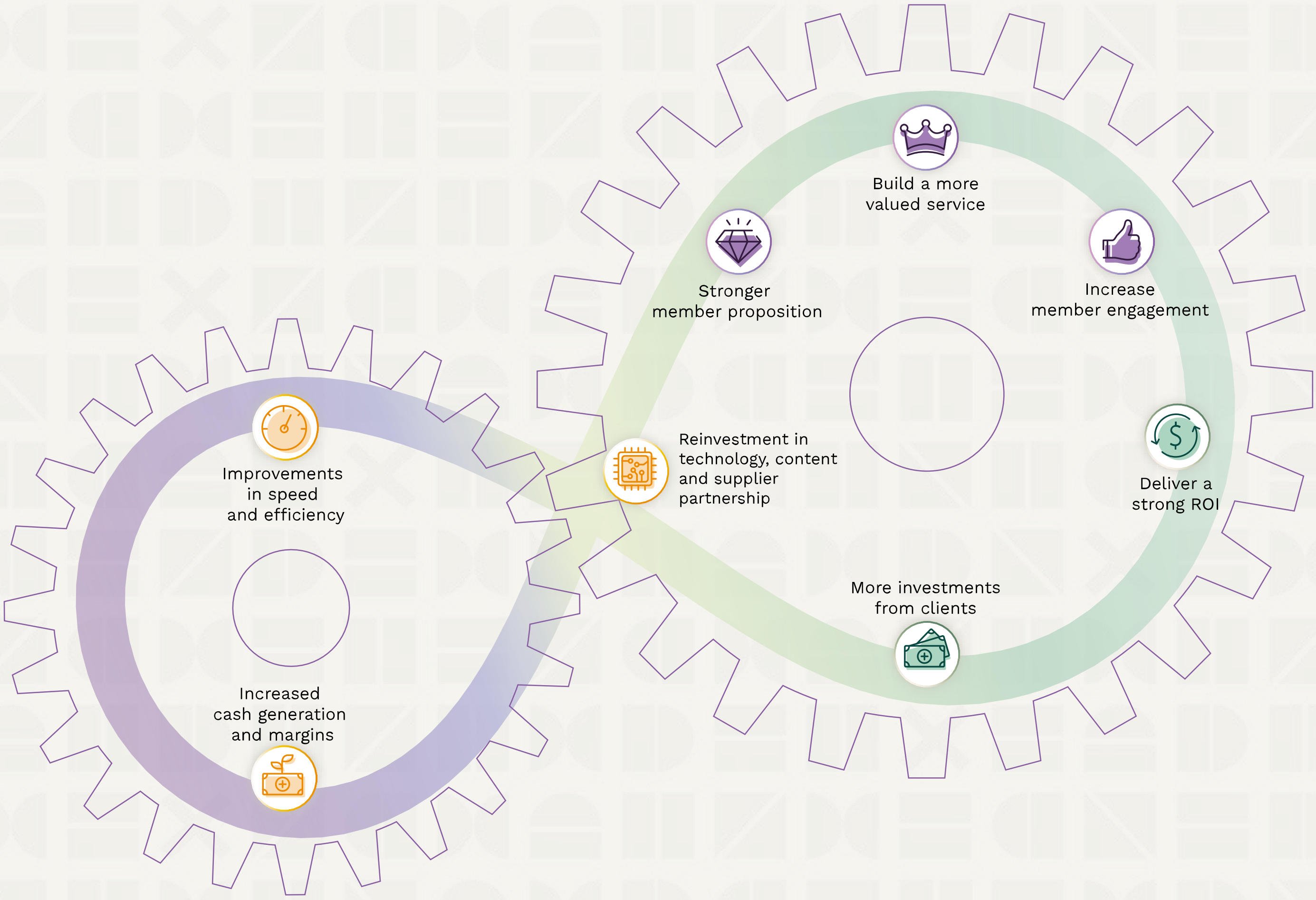
THE FUTURE OF SERVICE

Ten Lifestyle Group Plc

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

Ten's Growth Engine

Proposition, profitability and scale



tenlifestylegroup.com/investors

Scan to watch video

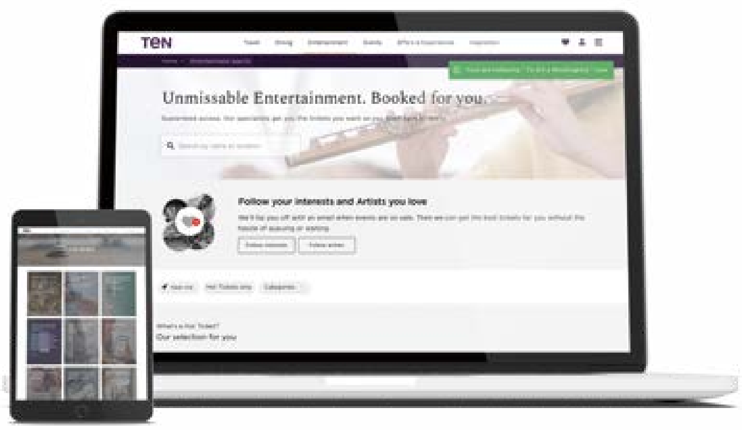
Read more about our business model and strategy on **pages 12 to 21**

Our Mission

To become the world's most trusted service platform

Ten partners with global financial institutions and other premium brands to attract, engage and retain wealthy and mass affluent customers.

Millions of members have access to Ten's services across lifestyle, travel, dining, entertainment and retail, underpinned by an increasingly sophisticated personalisation platform comprising industry-first, proprietary technology, thousands of supplier partners and 25 years of proprietary expertise delivered from 22 global offices.



↑ A new 'track interests' feature on the Digital Platform and a range of case studies on tenlifestylegroup.com

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

Contents

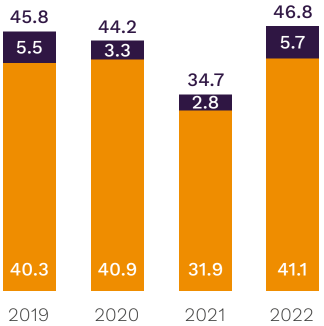
Highlights

Financial

- Record Net Revenue[1], up 35% to £46.8m (2021: £34.7m), ahead of pre-COVID-19 levels
  - corporate revenue[2] up 29% to £41.1m (2021: £31.9m)
  - supplier revenue[3] up 104% to £5.7m (2021: £2.8m)
- Loss before tax down 31% to £(3.8)m (2021: £(5.5m))
- Adjusted EBITDA[4] up 11% to £4.9m (2021 £4.4m)
- Cash at £6.6m, net cash at £3.2m (2021: £6.7m), with £3.4m debt raised in the year to support working capital requirements

Net Revenue
£m

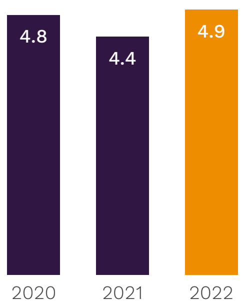
£46.8m



■ Corporate Revenue
■ Supplier Revenue

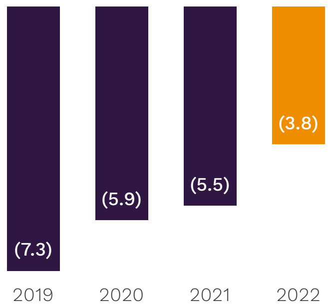
Adjusted EBITDA[5]
£m

£4.9m



Loss before tax
(£m)

£(3.8)m



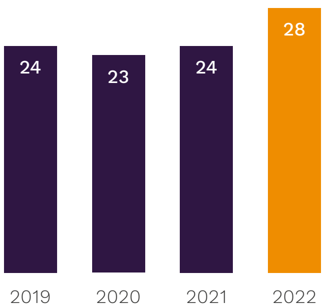
1 Net Revenue excludes the direct cost of sales relating to certain member transactions managed by the Group.
2 Corporate revenue is Net Revenue from Ten's corporate clients, including service fees, implementation fees and fees for the customisation of the Ten Digital Platform.
3 Supplier revenue is Net Revenue from Ten's supplier base, such as hotels, airlines and event promoters which sometimes pay commission to Ten.
4 Adjusted EBITDA is operating profit/(loss) before interest, taxation, amortisation, depreciation, share-based payment expense and exceptional items.
5 2019 was pre-IFRS 16 and so no comparison to report.

Operational

- Number of Material Contracts[6] up 17% to 28 (2021: 24)
  - retained all Material Contracts for third year running
  - a new Large contract with Credit Saison, a leading credit card issuer in Japan, and Medium contracts with one of the UK's largest wealth managers, DNB Bank and Morgan Stanley, all launched with the Ten Digital Platform
- Active Members[7] up 36% to 275k (2021: 203[8]k)
- Maintained high levels of member satisfaction[9] which drives repeat use and value to our corporate clients
- £13.6m (2021: £11.5m) invested in proprietary digital platforms, communications and technologies to enhance member experience and create competitive advantage
  - 80% of Material Contracts have now launched with the Ten Digital Platform (2021: 64%)
  - Ten Digital Platform live with 35 corporate client brands (2021: 27) which drives engagement and service quality

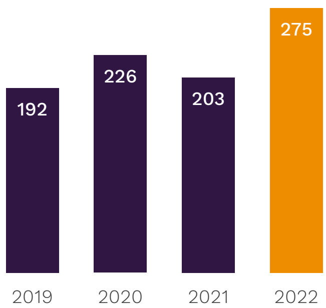
Material Contracts

28



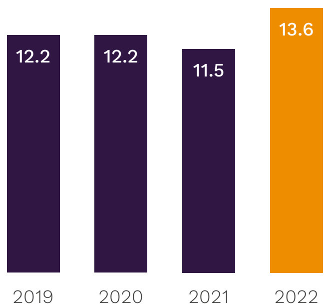
Total Active Members
('000)

275k



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

£13.6m



> *Record Net Revenue and profitability is testament to the strength of Ten's underlying business model."*

6 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".

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

8 The number of Active Members in the prior years has been recalculated using a more accurate measure of member eligibility, consistent with the definition of Active Members.

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

Strategic Report

↑ The Plaza, New York, part of the Ten Global Hotel Collection and our most-booked hotel in North America

Chairman's Statement

Ten is a leading customer loyalty partner for global financial institutions and premium brands

Bruce Weatherill
Independent Non-Executive Chairman

> *We have achieved record levels of Net Revenue and profitability and continued to retain all of our Material Contracts for the third year running.”*

Overview

Ten has achieved record levels of Net Revenue and Adjusted EBITDA profitability. This is testament to the strength of the underlying business model which enabled us to ride-out the re-emergence of COVID-19 in the first half of the year and deliver a strong results in the second half of the year. Overall Net Revenue was up 35% to £46.8m (2021: £34.7m) and Adjusted EBITDA up 11% to £4.9m (2021 £4.4m).

We made significant progress towards our mission to become the world's most trusted service, further strengthening our ability to attract and retain wealthy and mass affluent customers for global financial institutions and other premium brands. We continued to invest in our industry-first, proprietary technology, communications and content (2022: £13.6m; 2021: £11.5m) to drive growth and differentiate ourselves in the market. We have scale in many of the world's major economies and are proud of our ability to deliver our increasingly sophisticated personalisation platform from 22 global offices, with thousands of integrated supplier partners and 25 years of industry expertise into our service.

Over 275k Active Members use Ten's platform (2021: 203k), with millions more eligible to access Ten's lifestyle, travel, dining, entertainment and retail benefits on behalf of over 50 corporate clients.

We continued to retain all of our Material Contracts[1] for the third year running, and grew the overall revenue derived from existing contracts.
We believe our established corporate clients increasingly value our platform. Many now pay Ten to deliver technology integration, personalisation and unique content projects that enhance member experience, drive efficiencies and strengthen Ten's position as their trusted concierge technology partner. We have forged important new strategic partnerships throughout the year, with 80% of corporate clients with Material Contracts opting to include the Ten Digital Platform as part of their customer loyalty proposition (2021: 64%).

Our technology also underpins Ten's competitive strategy as the partner of choice for a growing number of global financial institutions and other premium brands wanting to attract and retain wealthy and mass affluent customers. Continued investment in technology, strategic partnerships and our people has strengthened our resilience and enabled the Group to build healthy foundations for growth through an improved service and corporate client proposition whilst also achieving further efficiencies.

Strategy

Throughout the year we continued to realise our vision of building a valued service that drives customer loyalty for our corporate clients by continuing to provide preferred access to a range of premium services to our members helping them to better organise their travel, dining, entertainment and other lifestyle needs. We have continued to optimise our market-leading proprietary platform (the “Ten Digital Platform”) and leveraged our buying power across thousands of supplier partners. The service platform is supported by 25 years of expertise, delivered by Lifestyle Managers 24 hours a day in over 15 languages. Our Net Promoter Score (NPS) tells us and our corporate clients, that members are positively impacted by having access to Ten's service platform and Lifestyle Managers.

1 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”.

STRATEGIC REPORT

Chairman's Statement continued

Strategy continued

Ten is a leading customer loyalty partner for global financial institutions and premium brands. We believe that our ability to build verifiable customer loyalty propositions encourages new and existing corporate clients to invest in Ten's increasingly sophisticated personalisation platform to improve the profitability and loyalty of their most valuable customers. This enables us to invest back in technology, content and service quality, enhancing the member proposition and further driving the Growth Engine at the heart of Ten's business model.

The Group continues to benefit from existing and new partnerships with corporate clients, primarily in the financial services sector. We are also working with other premium brands which are seeking to improve the engagement, retention and acquisition of their most valuable customers. The Group also offers individuals the opportunity to access its services through a private membership proposition, although this is currently a very small part of our total business.

Ten's unique member proposition provides access to a wide range of benefits and experiences across key consumer markets, notably 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. This means our members can achieve better and more cost-effective outcomes, more conveniently than they could on their own.

The member proposition is made available to search and book online though Ten's market-leading lifestyle and travel proprietary "Ten Digital Platform", or through our expert Lifestyle Managers by phone, email, live chat and WhatsApp.

Results

Net Revenue grew by 35% to £46.8m (2021: £34.7m), driven by increased member activity as the effects of COVID-19 eased throughout the period in most regions. The emergence of the Omicron variant of COVID-19 during the first half of the year resulted in a temporary reduction in member activity and revenue growth, with the Group achieving a strong recovery in the second half of the year and closing the period with record Net Revenue and a healthy and increasing run-rate.

Delivering 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.

The Group secured new contract wins during the year, including a new Large contract with Credit Saison, a leading credit card issuer in Japan, and Medium contracts with one of the UK's largest wealth managers, DNB Bank in Norway and Morgan Stanley in the Americas, all of which launched in the year with the Ten Digital Platform.

The Group retained all of its Material Contracts and entered new agreements with existing corporate clients for multi-year contract extensions, significant expansions and paid-for projects to customise the Ten Digital Platform. These included a multi-year contract with St. James's Place, a FTSE-100 wealth management business, following a successful pilot, a content as a service contract with an existing corporate client to increase member engagement and a paid-for project with an existing corporate client to customise the Ten Digital Platform and content, under its brand. The new contracts won and launched in the period and growth of existing mandates have contributed to a record number of Active Members.

People and ESG

The Group continues to benefit from a stable, founder-led executive management team which has shown strong leadership, innovation and resilience to grow the business in all regions following the challenges posed by COVID-19. We take pride in our track record of developing our people through our Ten Academy and Ten's Global Leadership Programme, a global, twelve-months internal development programme aimed at developing the Group's future leaders. By nurturing an employee culture based on our principles of transparency, education, promotion and engagement, our DEI Programme continues to support our diverse, global workforce and helps us attract, retain and develop the best talent.

In order to manage the increased levels of demand we brought staff back from COVID-19 schemes (e.g. furlough and Kurzarbeit) at the start of the year and hired new staff. As well as adding expert Lifestyle Managers to support growing member programmes, mainly in the Americas, we have bolstered our business support teams, which are now predominantly based in Cape Town, as well as our technology, content and product teams.

We remain committed to building a sustainable business and are more aware then ever of the impact our business and members have on the world around us. The ESG Working Group formed last year under the leadership of Jules Pancholi, Non-Executive Director, has assessed the material risks and opportunities arising from ESG issues and has made solid progress addressing them. In a step that further demonstrates the Board's commitment, we have also applied to become a B Corp this year, following a well-supported resolution passed by our shareholders to adopt an amendment to our Articles of Association in July 2022.

> *"Becoming B Corp certified would further cement our commitment to growing a sustainable business."*

Becoming B Corp certified would further cement our commitment to growing a sustainable business and will have significant positive effects on the Company and stakeholders.

On behalf of the Board I would like to thank the whole Ten team for demonstrating adaptability, professionalism and steadfast commitment throughout the year, for which we are extremely grateful and proud.

Summary

In last year's annual report, Alex Cheatle, CEO, stated: "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".

I am pleased to report that we have delivered Net Revenue and Adjusted EBITDA growth, whilst investing in the digitally led proposition, which has been launched with four Material Contracts in the year. We have taken on a modest level of debt to support our working capital requirements as we continue to show substantial growth and launch new programmes.

We maintain strong relationships with our existing corporate clients because we have proven our value in helping corporate clients engage, retain and acquire their most valuable customers. The Growth Engine at the heart of Ten's business model continues to prove itself with sustained increases in Net Revenue and EBITDA profitability, alongside high service levels and improved technology solutions.

Bruce Weatherill
Independent Non-Executive Chairman
22 November 2022

↑ Miami, USA, one of 5 Ten offices in North America

Chief Executive's Statement

Successful business model with record revenue and profitability

Alex Cheatle
Chief Executive Officer

Overview

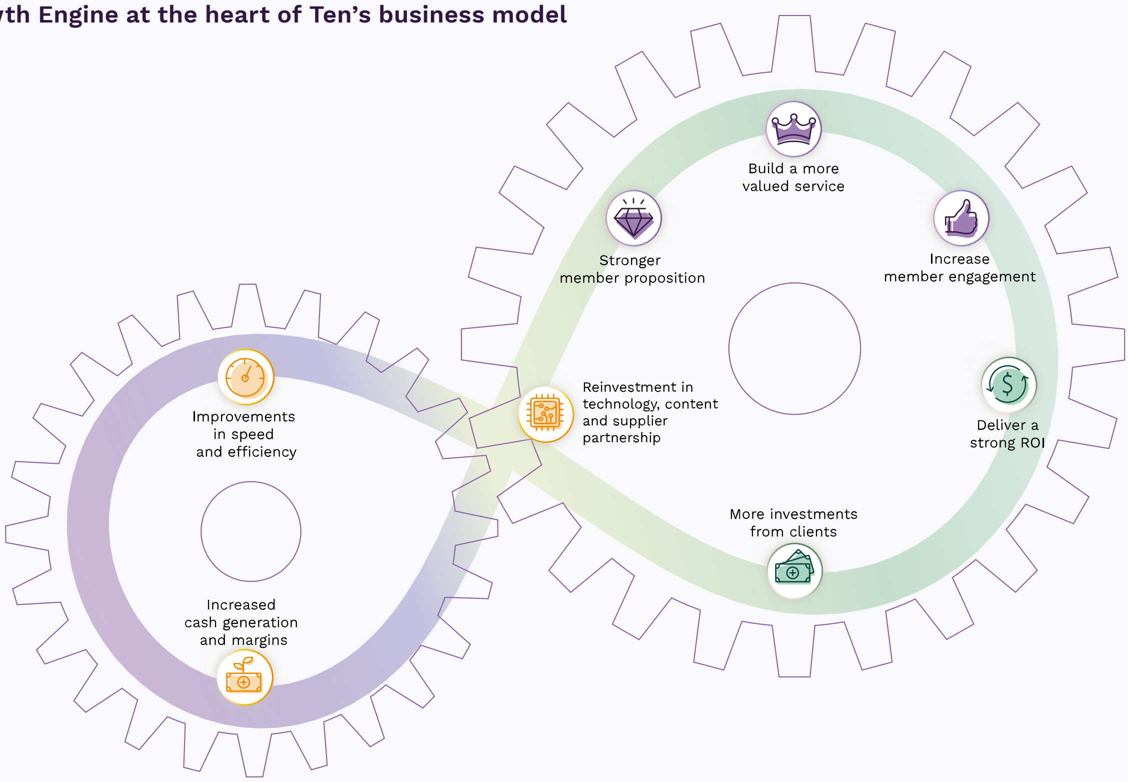
The "Growth Engine" at the heart of our business continues to prove itself. In the year, we achieved record levels of Net Revenue, Active Members and Adjusted EBITDA, whilst continuing to invest in proprietary technology and other innovations. By maintaining service quality across our high touch and digital platforms, which drives commercial results for our corporate clients, we have continued to retain 100% of our Material Contracts for the third year running and launched new Material Contracts in each of our three global regions.

We faced challenges during the year, including the emergence of the Omicron variant of COVID-19 during the first half of the year, leading to a short-term reduction in member activity and related revenue. This caused a reduction in Adjusted EBITDA in the first half of the year as we carried the cost of retaining staff hired during an earlier period of increased activity.

Despite this, I am delighted that the business performed increasingly well during the second half of the year and closed the period with a strong revenue run-rate, improved Adjusted EBITDA and an enhanced digitally enabled service platform.

I am proud of how our people across 22 offices globally have continued to dedicate themselves to delivering high-quality services to our members and corporate clients, including our newly hired staff who trained diligently to become fully productive in their new roles. I would like to express my thanks to our outstanding management team, which continues to drive the business successfully towards our mission of becoming the world's most trusted service.

The Growth Engine at the heart of Ten's business model



Record Net Revenue and profitability

Our market-leading digital capabilities differentiate us from our competition and have enabled us to achieve record Net Revenue and Adjusted EBITDA profitability, with Net Revenue up 35% to £46.8m (2021: £34.7m) and Adjusted EBITDA up 11% to £4.9m (2021: £4.4m) on prior year.

Revenue from our corporate clients was up 29% to £41.1m (2021: £31.9m) due to the increase in member activity (paid for by our corporate clients) and revenue from new contracts, including the four Material Contracts launched in the year. Revenue from our supplier partners, mainly commission related to our member's travel, was up 104% to £5.7m (2021: £2.8m).

Adjusted EBITDA for the year was up 11% to £4.9m (2021: £4.4m), driven by improved efficiencies in the second half of the year, once the staff hired at the start of the year became productive. Cash generated by operations was £4.8m (2021: £4.0m), while operating expenses and other income increased to £41.9m (2021: £30.3m), principally driven by headcount required to service the uplift in member activity. The Group finished the year with a net cash position of £3.2m after deducting £3.4m of debt raised in the year to support working capital requirements, meaning the Group finished the year with £6.6m of Cash and cash equivalents (2021: £6.7m).

Regional analysis

EMEA

In EMEA, we continued to develop our services offered to members and corporate clients in our most mature markets and expanded into maturing markets in the Middle East, Italy and Scandinavia.

Regional Net Revenue grew by 21% because of increased member activity, new contracts and increased member engagement. Several Material Contracts with flagship corporate clients increased their budgets during the period, having previously reduced or frozen them in response to COVID-19.

We retained all Material Contracts and we won new corporate clients, including one of the UK's largest wealth managers. We further expanded our contract with DNB Bank in Norway by launching Ten's digital concierge services to additional customer groups and expanded other key contracts with corporate clients in the region.

The additional cost of staff hired in the first half of the year, who we retained during the dip in member activity caused by the impact of the Omicron variant of COVID-19, meant Adjusted EBITDA fell to £0.9m in H1 when compared to the same period in the prior year (H1 2021: £1.7m). However, the new staff became fully utilised in the second half of the year, with a return to member activity and revenue growth, leading to a strong Adjusted EBITDA recovery to £4.0m in H2 (H2 2021: £2.7m) and full year Adjusted EBITDA of £4.9m (2021: £4.4m).

The conflict in Ukraine has had limited impact on Ten's core service categories in the region. Ten's Moscow office, which contributed <1.5% of the Group's Net Revenue in H1 2022, closed on 9 March 2022. The Group incurred one-off costs of closure expenses associated to the disposal of Ten's Russian subsidiary of £519k.

Americas

I am delighted that we have reduced the EBITDA loss by £1.5m to £(0.7)m (2021: £(2.2)m) for the fourth year running. In the second half of the year, we achieved a modest positive Adjusted EBITDA for the first time since listing, because of growing scale and maturity in the region. Achieving profitability in the region has been a key objective for Ten.

The Americas also achieved the highest rate of growth in the Group, with Net Revenue up 67% on prior year, due to the healthy growth of existing contracts and new contract wins. Notably, we won our first Medium contract with Morgan Stanley, one of the world's largest private banks and wealth managers.

Member demand increased throughout the year, with Net Revenue doubling in the second half of the year when compared to the same period of the prior year. Staff hired to deliver on such high rates of growth are fully trained, effective, and efficient within a few months, which helps to improve EBITDA performance further.

APAC

In APAC, Net Revenue grew by 25% and Ten achieved positive Adjusted EBITDA of £0.1m (2021: £0.5m), despite ongoing or sporadic COVID-19 restrictions in the various parts of the region, notably in China. We retained all Material Contracts and launched a Large contract with Credit Saison, a leading credit card issuer in Japan.

We continued to see less international travel and fewer large live events in APAC than in other regions, which, together with occasional local lockdowns, suppressed demand for our core dining and lifestyle services.

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

We continued to benefit from the quality, operational and competitive advantages of our digital capability. Despite cost pressures, we took the decision to maintain our investment in technology, communications and content, with £13.6m invested in the year (2021: £11.5m). We believe that our market-leading digital capability clearly differentiates us from our competition and underpins our long-term "Growth Engine" strategy to become the world's most trusted service.

In the year, this investment enabled us to achieve key milestones in our digital roadmap, as detailed on pages 20 and 21. These developments enabled us to continue to roll out our Ten Digital Platform, which is now live with 80% of our Material Contracts and with 30% more corporate client brands than the previous year. We believe corporate clients are increasingly opting to customise and integrate the Ten Digital Platform to achieve increased efficiencies and support their digital engagement strategy.

Net Revenue	Adjusted EBITDA	Active Members	Investment in technology, content and communications
£46.8m	**£4.9m**	**275k**	**£13.6m**
+35% (2021: £34.7m)	+11% (2021: £4.4m)	+36% (2021: 203k)	+17% (2021: £11.5m)

Chief Executive's Statement continued

Stronger member proposition, satisfaction and engagement

In the year we have strengthened our core propositions, as set out on pages 14 to 17.

The more attractive and accessible our proposition is to new and existing members, the more they engage with, use and advocate for our service. Member engagement and satisfaction are key to building value for corporate clients, which want to improve the engagement, retention and acquisition of their most valued customers. This justifies increased corporate spending with us and encourages new corporate clients and new supplier partners to work with us.

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

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

Summary

We have retained all our Material Contracts for the third year running and have launched four new Material Contracts during the year.

We believe our competitive position is stronger than ever, backed by a market-leading member proposition, which delivers a strong return on investment for 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.

Our sales pipeline is robust and we have maintained our record of never losing a Material Contract where we have launched our Ten Digital Platform. By developing the platform, and in turn our corporate clients, we have grown Net Revenue by 35% during the year, and this growth accelerated in the second half to 49% when compared with the same period of the prior year.

We have maintained investments in technology, content and supplier partnerships, which has enhanced the service to members and corporate clients. This strategy recognises the importance of innovation in building our market position and improving service levels, whilst delivering record levels of Adjusted EBITDA profitability, which increased throughout the second half of the year. Across the year we report Adjusted EBITDA of £4.9m (2021: £4.4m), with second half Adjusted EBITDA performance of £4.0m (H2 2021: £2.7m).

I am proud of the strong "trusted expert" culture at Ten, our member focus and our successful innovation, which have led to these record results.

Current trading and outlook

We expect demand and related revenue will continue to increase from existing Active Members and "first time users" from our Eligible Member base. Notwithstanding the impacts of economic conditions on individual member households, our corporate clients pay us to improve the engagement of their wealthiest customers, with banking corporate clients typically seeing improved profitability of these customers due to higher interest rates. We expect to continue to convert our strong pipeline of contract opportunities with global financial institutions and premium brands.

Supplier revenue is our second income stream and accounts for 12% of Net Revenue (2021: 8%). In the final quarter of 2022 and the first two months of 2023, we have benefited from record levels of supplier revenue, materially ahead of the levels of the pre-COVID-19 year in 2019.

We remain focused on continuing to increase both Net Revenue and Adjusted EBITDA, as well as maintaining a positive cash position. We plan to maintain our investment in our proprietary technology, communications, and content, which provides competitive advantage. Loans raised to date will continue to support the Group's working capital requirements and we expect cash generation in H2 2023.

Trading to date, our high corporate client retention rates, strong service levels, increasing supplier revenue, improving profitability, healthy sales pipeline and continued investment to improve our technology and proposition mean that, although early in the year, we are optimistic about another year of good progress and believe we will meet the Board's expectations for the year.

Alex Cheatle
Group Chief Executive
22 November 2022

Investment Case

A digitally enabled platform driving customer loyalty for global financial institutions and other premium brands

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

A significant, immediate market opportunity with huge potential

- Proven to increase Active Member numbers and revenue per member, that develops revenues, largely paid to us by premium brands, often in financial services, to drive loyalty of their most profitable customer segments
- Ten's service becomes the best way to access and organise dining, travel, entertainment, and premium shopping

← Harrods, London, one of Ten's proposition partners

The established market leader for technology enabled concierge services

- The leading global, lifestyle and travel platform, in 18 languages, 35 brands and 100+ countries
- Loyal, long-term corporate contracts
- A growing, engaged high-net-worth individual (HNWI) member base

← The Book Club on Ten's Digital Platform

A proven Growth Engine at the heart of our business model

- Drives increasing profit and service levels with scale improving technology/proposition
- Drives return on investment for our corporate clients
- Revenue grows as existing corporate clients invest more, and we win new clients
- Robust revenue model with contractual minimums, backed by multi-year terms

← Singapore Grand Prix, for which Ten are an official overseas ticket agent

Ten's Growth Engine

Proposition, profitability and scale

The Growth Engine is at the heart of Ten's business model. It grows service quality and cash generation over time and as Ten scales, creating value for shareholders and a competitive position.

1.

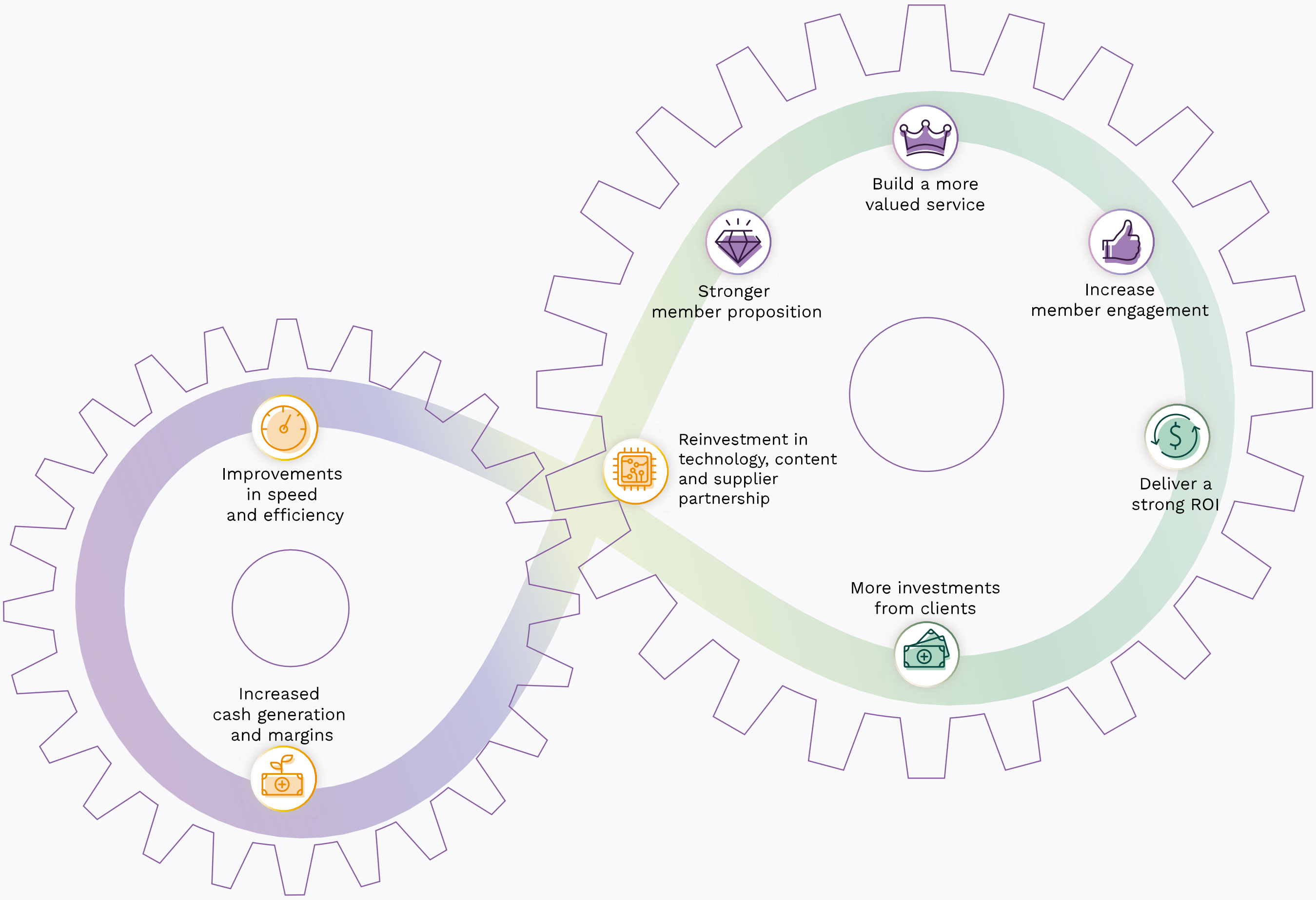
Building a strong member-led proposition

2.

Growing the investment from corporate clients

3.

Investing in Ten's service platform



Three strategies fuelling Ten's growth engine

1. Building a strong member-led proposition

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, with people and technology that can be trusted to act in their best interests.

Members will engage on a repeat basis with a valued, trusted and convenient lifestyle platform with a focus on travel, dining, premium shopping, live entertainment and events. The platform delivers superior access, benefits and value across multiple consumer markets and that adapts to changing individual needs. In turn, this enhances and deepens our member's loyalty with our corporate clients.

→ An original image from member-exclusive art exhibition and dinner at Maddox Gallery in London

2. Growing the investment from 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. Partnering with Ten can help corporate clients to achieve their targets for digital transformation, customer advocacy, assets under management (AuM) and spend on related payment card product.

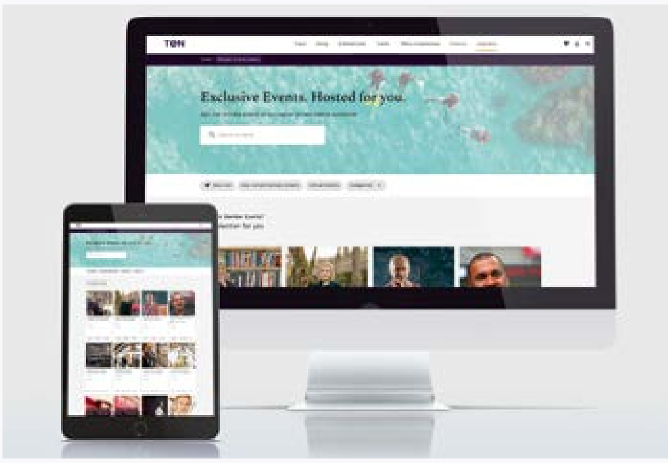
As we demonstrate strong, tangible return on investment (ROI) to corporate clients, we are confident that they will invest more to further develop, integrate and customise their concierge offering to their valued customers.

→ Oslo, Ten's operational hub for Norway

3. Investing in Ten's service platform

Revenue and profits generated by the Group are currently being reinvested to further enhance and deepen our proposition. Strategic investment areas include our technology, content and supplier partnerships. The buying power of all our members enables us to negotiate better access, value and benefits.

New functionality on the Ten Digital Platform, a growing content library, strong partnerships, and automation improve the speed and efficiency of the service. This, in turn, generates cash and profit, ensuring that the member proposition is more compelling over time.



→ A selection of Ten's online events on the Digital Platform

Strategy in Action

1. Building a strong member-led proposition

Dining

↑ An original image from Osteria Marzia Hong Kong, a new Ten dining partner

Travel and tourism

↑ Raffles Doha, part of the Ten Global Hotel Collection

Strategy

Dining

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

- Expand Held Tables programme, offering preferential access at the world's most popular restaurants
- Produce high-quality, editorial reviews and restaurant recommendations, shared with members via the dining module of the Ten Digital Platform, personalised emails or direct from Lifestyle Managers
- Members search and book restaurants using "near me" functionality
- Curate dining and at-home guides to restaurant quality food deliveries, virtual cooking and cocktail masterclasses
- Leverage buying power, long-term relationships, in-house expertise and reputation to secure access to the best restaurants, with premium experiences and offers at peak times

Travel and tourism

Expert, "high-touch" travel advice and tailor-made holidays, with online flight, hotels, car hire booking and inspirational travel experiences available through the Ten Digital Platform.

- Use the buying power of our members to extend the range, value and access of the core travel propositions, including Ten's Global Hotel Collection, Essential Hotel Collection and new Direct Connections programme
- Offer independent recommendations and better value for money than other travel providers as we are not reliant on commission fees as our primary source of revenue
- Create editorial travel articles, a digital travel magazine and destination guides, showcasing the breadth of our global travel proposition, benefits, experiences and expert knowledge
- The travel module of the Ten Digital Platform allows members to seek travel inspiration and search and book flights, hotels and car hire
- Develop and attract travel experts to plan tailor-made, once-in-a-lifetime holidays for our HNWI members and their families

Progress

Dining

- More than doubled Held Tables programme with 2,000 restaurants across 102 cities (2021: 74 cites)
- Expanded the portfolio curated and searchable reviews to over 11k of the world's top restaurants (2021: c.10k)
- Published three issues each of "Dine", "Wine" and "Cook", a collection of articles and recipes contributed to by world-class chef partners, to over 150k members

Travel and tourism

- Secured an IATA licence in Norway, enhancing Ten's global travel capabilities
- Expanded Ten's Global Hotel Collection, a portfolio with over 4,200 (2021: >3,800) luxury hotels that offer additional benefits
- Expanded access to over 720k (2021: 600k) hotels worldwide
- New Direct Connections Programme launched with major Hotel Chains, including IHG hotels, offering access to over 5k destinations
- Developing a bespoke travel proposition

Throughout the year, we have continued to realise our vision of becoming the best way for affluent and high-net-worth consumers to organise a broad range of their lifestyle and travel needs by strengthen our member proposition. A strong member proposition drives member engagement and outcomes for our corporate clients.

Entertainment

↑ Coldplay at Wembley Stadium, London, an event for which Ten sourced tickets

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

- Expand partnerships with ticketing platforms, venues, providers and promoters to secure access, pre-sale tickets, offers and face-value tickets for the most sought-after events
- Develop entertainment newsletters for members discovering entertainment, experiences and events with 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 available online and at-home entertainment

- Engaged more than 15 new entertainment partners, expanding Ten's access to the most sought after shows and events
- Booked over 1,800 official ticket packages (c. £820k sales) at Premier League and La Liga football matches as well as significant ticket sales for Wimbledon 2022, heavyweight boxing, NFL London (c. £630k sales) and concert tickets
- Over 200 virtual events held globally, including Ten's book club arranged for members featuring award-winning authors

Premium retail

↑ Harvey Nichols, London, one of Ten's retail partners

Exclusive benefits, access and bespoke events in partnership with high-end, luxury, renowned or emerging brands, retailers and products all redeemable online through the Ten Digital Platform.

- Increase the number of offers with hundreds of premium and emerging retail brands, available to search, redeem and buy via the offers and experience modules of the Ten Digital Platform
- Secure premium benefits, discounts or access with high-end brands backed by our members' buying power
- Use personalised email marketing to promote relevant benefits to members, with editorial guides, gift suggestions, experiences or events
- Organise member-only in-person and virtual events in partnership with premium retailers, often fully complimentary to our members
- Source rare, and exclusive luxury products for our members

- Expanded the offers available to buy or redeem on the Ten Digital Platform to over 760 (2021: >550)
- Virtual events developed during COVID-19 co-exist with in-person and on-demand events, with over 60 virtual events and over 25 in-person events in 2022
- Complimentary events granting members access to retail events globally, with over 150 events organised in 2022

Strategy in Action continued

1. Building a strong member-led proposition continued

Growing member engagement

Ten's Eligible Member base is mainly from its partnerships with corporate clients. The scale of Ten's member base strengthens its ability to leverage the very best access, offers and discounts with supplier partners; further enhancing Ten's member proposition, underpinned by our expert Lifestyle Managers and the Ten Digital Platform, together with Ten's editorial content and targeted email marketing, drives engagement, expands our Active Member base and the frequency of use.

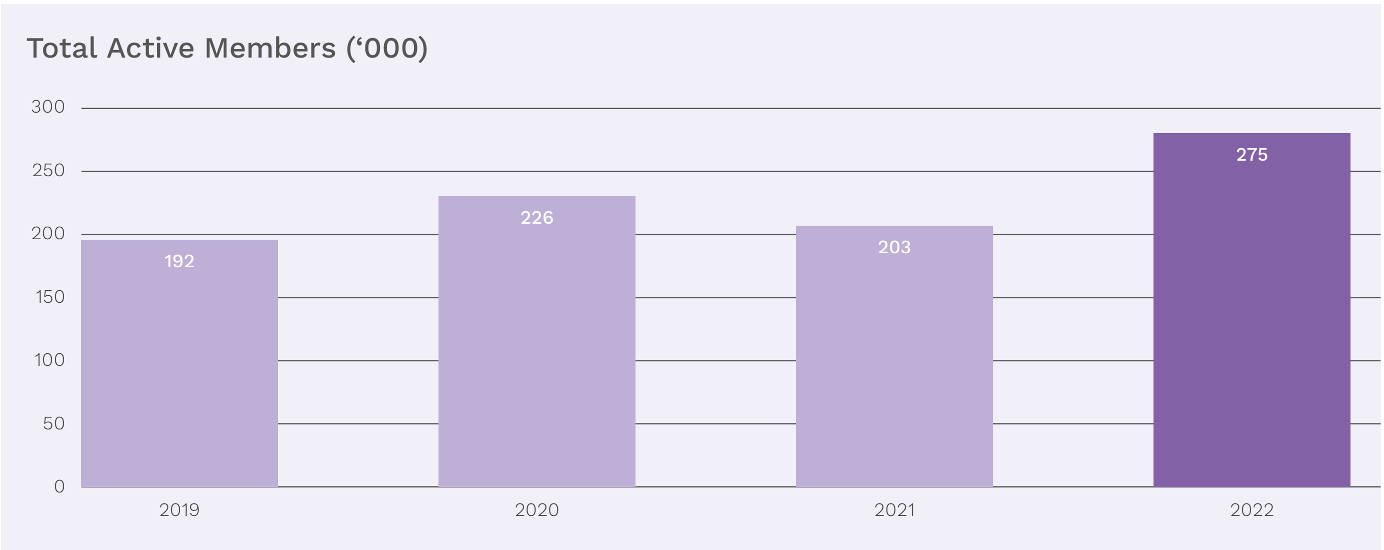
Active Members
Individuals holding an eligible product, employment, account or card with one of Ten's corporate clients are "Eligible Members", with access to Ten's platform, configured under the relevant corporate client's programme, with Eligible Members who have used the platform in the past twelve months becoming "Active Members".

Ten's acquisition of Eligible Members is underpinned by the existing corporate clients and the launch of new corporate programmes, as further described on pages 18 and 19.

Active Members up
36%

A record number of Active Members used Ten's platform this year, a 36% increase on prior year[1]. The size of the Active Membership 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. As such, it is one of the Group's KPIs and regularly monitored by the Board alongside the key financial performance indicators set out on page 25.

Record levels of member engagement, with the return of dining and travel in most markets, has resulted in a 104% increase in the revenue Ten earns from some of its supplier partnerships, such as hotels, airlines and event promoters, which sometimes pay commission to Ten (2022: £5.7m, 2021: £2.8m). Ten does not typically negotiate higher levels of supplier commissions but instead focuses on negotiating the best member benefits to drive member satisfaction.



↑ Champions League Final, Paris, an event for which Ten sourced tickets

Member engagement strategies
Continued improvements in member engagement strategies have also driven the record levels of member engagement.

Corporate client platform integration
Ten's platform is increasing being integrated with corporate client technology, delivering seamless access, including via self-registration and single sign-on, as well as Ten's Open APIs[2] which interface modules of the Ten Digital Platform with the corporate client's branded digital applications.

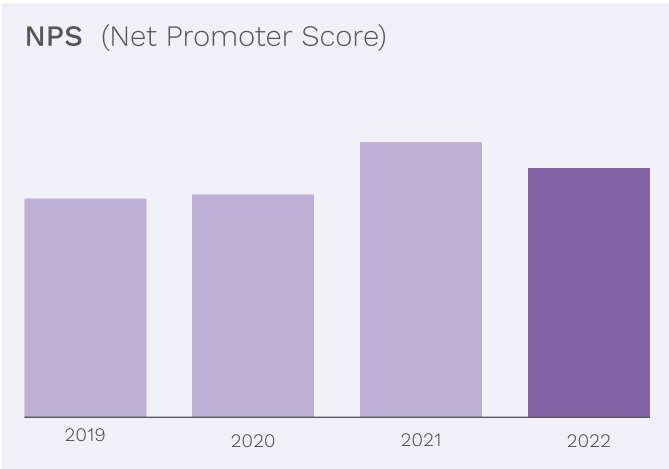
On-boarding journey
We welcome members who are new to the service through a series of eCRM communications to help them understand the service and how to get the most out of it. A bullseye routing feature on our telephony systems helps us to identify inbound calls from "first time" users and route those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

Targeted member communications
Ten's editorial-led content and eCRM team tailor's member communications, ensuring members have access to benefits relevant to their lifestyle and activities, with an 48% average email open rate of general emails (2021: 39%).

Automated communications
Out of the 11.5m member communication emails sent (2021: 10.1m), 43% were automated, triggered by member behaviours and sent without any manual intervention; offering useful, often inspiring, information about their upcoming bookings.

Net Promoter Score (NPS)
As a result of the improvements to our member proposition, we have, again, enjoyed high Net Promoter Scores (NPSs), our primary measure of service quality and member satisfaction which is actively used as a KPI by senior management and regularly monitored by the Board alongside the key financial performance indicators set out on page 25. 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.



1 The number of Active Members in the prior years has been recalculated using a more accurate measure of member eligibility, consistent with the definition of Active Members.

2 Application programming interface (API).

Strategy in Action continued

2. Growing the investment from corporate clients

Global financial institutions and premium brands choose Ten's service platform to attract, engage and retain their valued customers. Ten continues to grow through existing and new contracts as corporates see measurable impact on their commercial and customer metrics.

Corporate client contract wins, renewals and expansions

The Group has secured some notable new contract wins including Medium contracts with one of the UK's largest wealth managers, Morgan Stanley in the Americas and DNB Bank, a leading bank in Scandinavia. The team also oversaw a launch of a Large contract at the start of the year with Credit Saison, a leading card issuer in Japan.

We have not lost any Material Contracts with corporate clients in the last three years. This is testament to the commercial results that drive our corporate client's bottom line and their continued investment in Ten's customer loyalty proposition.

The Group secured contract extensions and expansion of contracts with some of our existing corporate clients. Notably, some of earlier adopters of the Ten Digital Platform have commissioned custom technology development projects in order to differentiate their digital proposition.

The Group maintains a strong sales pipeline of prospective corporate clients in the financial services sector as well as other premium brands.

Growing existing programmes

The Group reported a new segmented analysis of our members to better reflect the growth potential of existing programmes. It categorises members by their perceived value to the corporate client programme to which they are attached. We then analyse the Active Member penetration rate[1].

The Very High Value segment includes members attached to programmes with private banking corporate clients, which typically have a high level of investable assets under management and hold premium, high fee products. The potential (and actual) customer loyalty budgets of private banking corporate client for such individuals are typically higher due to the profitable nature of their accounts, especially in the current climate of rising interest rates. Typically, the Active Member penetration rate in this segment is higher, as is the average corporate revenue per Active Member.

The High Value segment includes members attached to programmes with mass affluent retail banking corporate clients or credit card holders of an issuing bank programme.

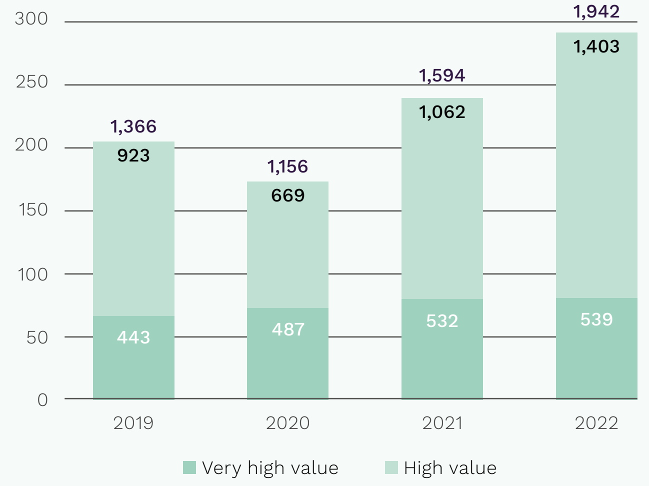
The Medium Value segment includes members attached to programmes where the corporate client may hold or manage a relatively lower per capita value per annum. The majority of these members have access to a programme via a specific type of card product and we acquire Eligible Member via contracts with the payment network provider. As such, the number of Eligible Members in this segment is very large resulting in a lower Active Member penetration rate.

Eligible Members

In the year, the Eligible Member base within the High Value and Very High Value segments grew by 22%. This was driven by the acquisition of new customers through sponsoring corporates sales and marketing activity or increases in eligibility, for example through increased assets under management within the existing portfolios as well as new programme launches.

The world's population of High Value and Very High Value customers of corporate clients is substantially larger than our current Eligible Member base, representing significant opportunities for growth. The global HNWI[2] population is estimated to be at 22.5m in 2021[3,4], which is used by the Board as an approximation of the total addressable population of Very High or High Value Eligible Members.

Total Eligible Members, (Very High and High value segments) ('000)



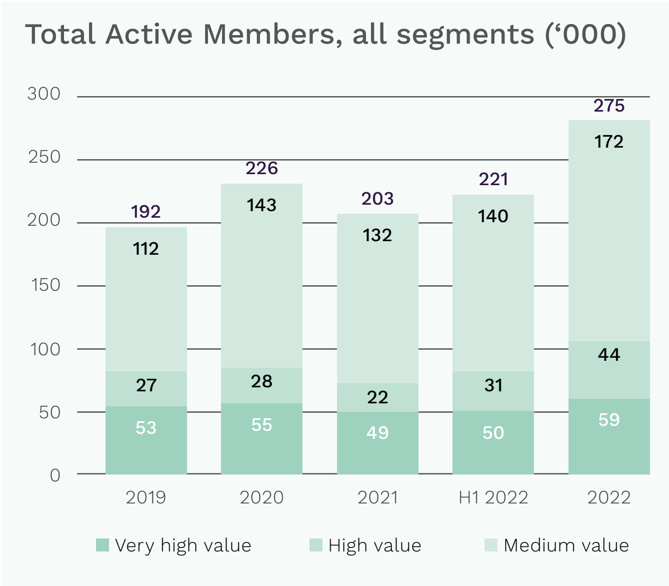
Active Members

Active Members are members who have used the service at least once in the past twelve months. As the world emerged from COVID-19 and demand from members wishing to rediscover the world of travel and lifestyle grew, partly because corporate clients supported more marketing, we saw a healthy growth in the number of Active Members.

The Active Member base of the Very High Value segment increased to 59k (2021: 49k). The overall average Active Member penetration rate of the Very High Value segment is 11%. Developed programmes with strong engagement strategies have stronger Active Member penetration rates of over 60% and developing programmes have a typical Active Member penetration rate of 25-30%. This indicates that we can materially increase the average Active Member penetration, and the resulting revenues, across our combined portfolio of Eligible Members.

The Active Member base of the High Value segment was 44.1k, with an average Active Member penetration rate of 3%. Growth in the segment was attributable to the:

1. growth of Eligible Members from continued acquisition of customers by the corporate client
2. increase in the number of Active Members from the eligible base as sponsoring brands drive marketing, member engagement and demand for our core services
3. growing repeat use by Active Members as the proposition and service continue to strengthen, ensuring engaged members continue to stay active



1 Individuals holding an eligible product, employment, account or card with one of Ten's corporate clients are "Eligible Members", with access to Ten's platform, configured under the relevant corporate client's programme, with Eligible Members who have used the platform in the past twelve months becoming "Active Members". The Active Member penetration rate is the number of Eligible Members that become Active Members in the period.

2 CapGemini Research Institute's World Wealth Report (2022) defines high-net-worth-individual (HNWI) is someone with investable assets over US$1m excluding primary residence, collectibles, consumables and consumer durables.

3 CapGemini Research Institute's World Wealth Report (2022).

4 HNWI (someone with net worth of over US$1m including primary residence) population in 2021 at 69.8m and UHWN (US$30m+) at 611k. (Source: Knight Frank Wealth Sizing Model, The Wealth Report 2022).

Strategy in Action continued

3. Investing in Ten's service platform

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 investment in technology is focused on the areas of the Ten Digital Platform, TenMAID, Ten Travel Systems, content, communications, and other technologies.

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 18 (2021: 17) languages and over 39 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 35 (2021: 27) corporate client brands globally, including 80% (2021: 64%) of our Material Contracts, including all four of the Material Contracts launched this year.

We believe corporate clients are increasingly paying us to customise the Ten Digital Platform to suit their specific needs and the preferences of their most valued customers and integrate it with their own technology support their brand and customer engagement strategy.

Customisation options include:

- modules and sub-modules turned on/off
- full white labelling / branding capabilities
- languages, currencies and home markets
- customised content and asset
- payment controls to drive spend on cards
- design customisations and integrations, including SSO
- easy-to-integrate suite of Ten Open APIs

In addition to new platform 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 to the Ten Digital Platform include:

- improved merchant proposition and member redemption journey through single use, unique offer codes
- enhanced travel search capability including multi-component travel
- more seamless "check-out" experience with stored payment cards
- enhanced member preferences across dining and hotel categories

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.

Content

Ten's 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 through 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 the year, selected corporate clients have also commissioned custom travel and lifestyle content briefs from Ten's content proposition. In 2022 we:

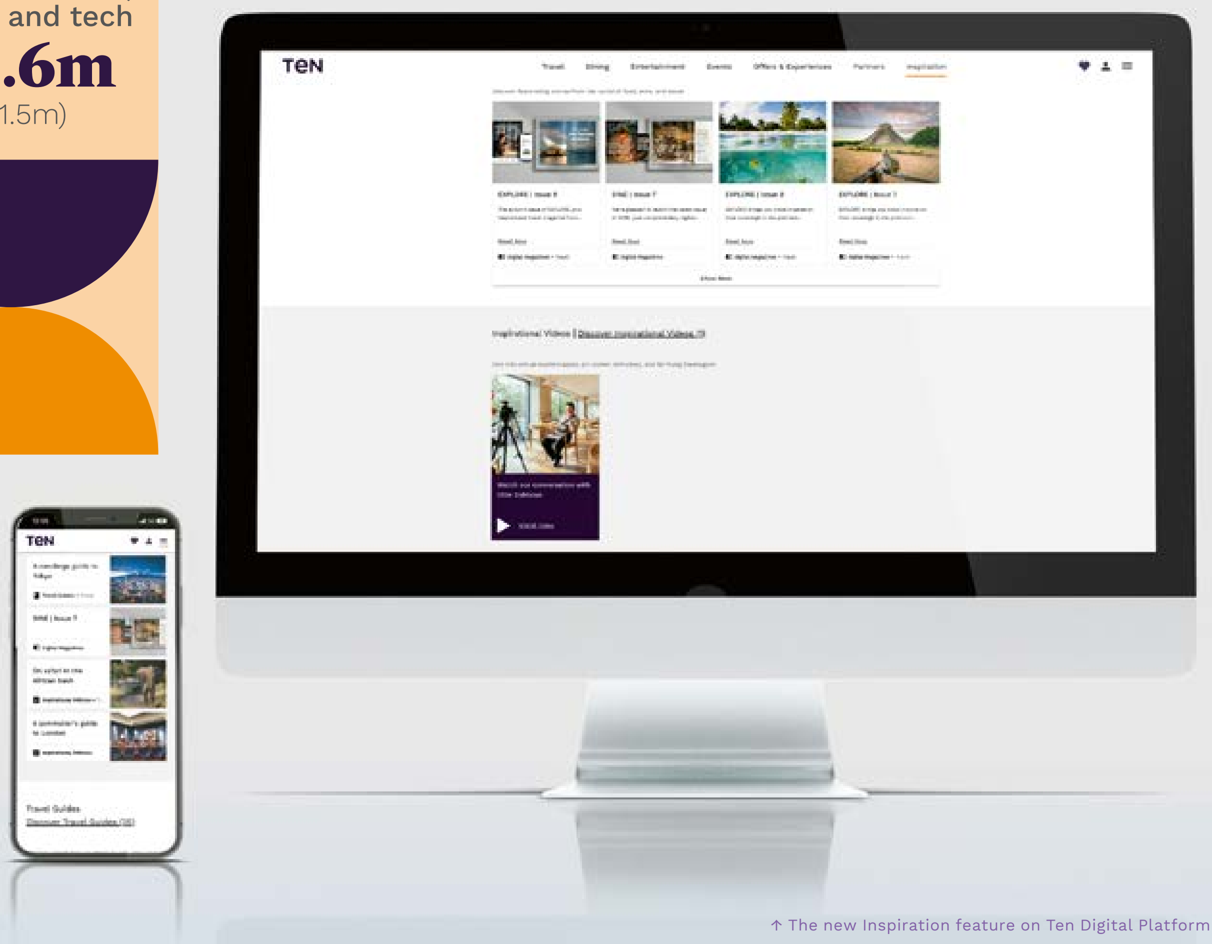
- published 45 (2021: 25) lifestyle magazine editions across the globe covering dining, travel, days, wellness, days out, home and interiors, wine and fashion
- 11.5m member communications emails sent (2021: 10.1m)
- increased the average open rate to 48% (2021: 39%)
- used videos promoting events and supplier partners to increase engagement

↑ A selection of Ten's recent digital magazines

Invested in proprietary digital platforms, comms, and tech

£13.6m

(2021: £11.5m)



↑ The new Inspiration feature on Ten Digital Platform

Ten MAID 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).

TenMAID and the Ten Digital Platform are integrated with a communications 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, routing of inbound interactions to our Lifestyle Managers, usability and member search capabilities. These developments contribute to operational efficiencies and ultimately member satisfaction.

80%
of Material Contracts with the Ten Digital Platform (2021: 64%)

48%
average open rate of general emails (2021: 39%)

11.5m
member communications emails sent (2021: 10.1m)

Financial Review

Strong recovery during the year has delivered record Net Revenue and Adjusted EBITDA profitability

Alan Donald
Chief Financial Officer

Net Revenue grew by 35% to £46.8m (2021: £34.7m). Despite the impact of the Omicron variant of COVID-19 in the first half of the year we experienced a strong recovery in activity in the second half of the year. Adjusted EBITDA profitability of £4.9m (2021: £4.4m) was driven by improved profitability in H2 of £4.0m (2021: £2.7m) compared to £0.9m (2021:£1.7m) in H1[1].

Net Revenue
£46.8m
(2021: £34.7m)
+35%

Adjusted EBITDA
£4.9m
(2021: £4.4m)
+11%

	2022 £m	2021 £m
Revenue	**48.7**	35.1
Corporate revenue	**41.1**	31.9
Supplier revenue	**5.7**	2.8
Net Revenue	**46.8**	34.7
Operating expenses and other income	**(41.9)**	(30.3)
Adjusted EBITDA	**4.9**	4.4
Adjusted EBITDA %	**11.4%**	12.8%
Depreciation	**(2.7)**	(3.2)
Amortisation	**(4.6)**	(4.0)
Share-based payments	**(0.5)**	(1.6)
Exceptional items charge	**(0.8)**	(0.6)
Operating loss before interest and tax	**(3.7)**	(5.0)
Net finance expense and FX	**(0.1)**	(0.5)
Loss before taxation	**(3.8)**	(5.5)
Taxation charge	**(0.5)**	(0.2)
Loss for the period	**(4.3)**	(5.7)
Loss % over Revenue	**(8.8)%**	(16.5)%
Net Cash, (defined as Cash less borrowings	**3.2**	6.7

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.

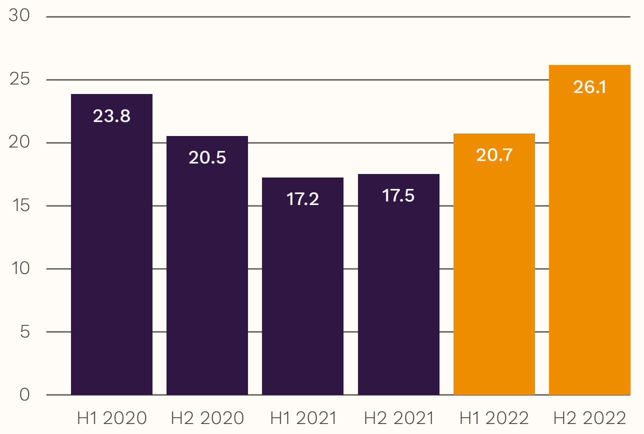
Revenue and Net Revenue

Net Revenue[2] for the twelve months to 31 August 2022 was £46.8m, up 35% compared to the prior year. Revenue for the twelve months to 31 August 2022 was £48.7m, up 39% on the twelve months to 31 August 2021. 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).

The uplift in Net Revenue of 35% was principally driven by increased activity as the world economy opened up post COVID-19. There was an impact on the business in the first half due to the outbreak of the Omicron variant; however, we experienced a significant uplift in member activity in the second half of the year driving both our corporate and supplier revenue.

Our corporate revenue (paid by our corporate clients to service their customers) increased year on year by 29%, with a Net Corporate Revenue Retention Rate[3] of 120% (2021: 75%) supporting this growth. Our supplier revenue (predominantly travel related) increased by 104% to £5.7m (2021: £2.8m). The graph below highlights the impact of COVID-19 on our Net Revenues and the subsequent recovery in this financial year. Note H1 2020 was pre-COVID-19.

Net Revenue £'m



Contract analysis

The following tables set out an analysis of our contracts by size and by region. We have analysed only our Material Contracts[4].

Contracts by size	2022	2021	change
Extra Large	**3**	3	—
Large	**6**	5	+1
Medium	**19**	16	+3
	28	24	+4

Contract by region	2022	2021	change
EMEA	**10**	8	+2
Americas	**11**	10	+1
APAC	**6**	5	+1
Global	**1**	1	—
	28	24	+4

During the financial year, we won and launched two Medium contracts in EMEA, a Medium contract in Americas and a Large contract with Credit Saison, a leading credit card issuer in Japan.

1 Half year figures are unaudited.

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

3 Net Corporate Revenue Retention Rate is the annual percentage change in corporate revenue, less non-recurring revenue (i.e., non-recurring service fees, implementation fees and fees for the customisation of the Ten Digital Platform), from corporate client programmes operating in the previous year.

4 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".

Regional analysis

While there is a clear overlap between the geographic location of our corporate 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	2022 £m	2021 £m	% change
EMEA	**21.9**	18.1	21%
Americas	**16.5**	9.9	67%
APAC	**8.4**	6.7	25%
	46.8	34.7	35%

In **EMEA** Net Revenue increased by 21%. There was a strong increase in activity in the first quarter of the year until the winter resurgence of COVID-19 impacted activity from November 2021 through to February 2022. We then saw a return to increased activity especially in travel in the second half of the year as the world economies opened up.

In the **Americas**, we saw a significant increase in Net Revenue of 67%. Member activity increased and in particular in respect of the Extra Large contract launched in February 2020, just as COVID-19 impacted the region.

In **APAC**, Net Revenue grew by 25% principally due to the launch at the beginning of the financial year a Large contract with Credit Saison. The base business remained relatively subdued from an activity perspective as COVID-19 restrictions in the region continued longer than in the rest of the world.

Operating expenses and other income

Operating expenses and other income increased by £11.6m to £41.9m (2021: £30.3m). The increase in cost was principally driven by headcount required to service the uplift in activity across the business. Average headcount in the year has grown by 34% to 1,101 (2021: 824). We continued to closely monitor costs, in particular assessing our office space requirements as we moved to a hybrid model of working across all regions.

Regional Adjusted EBITDA

Adjusted EBITDA is after expenses, other than depreciation of £2.7m (2021: £3.2m), amortisation of £4.6m (2021: £4.0m), and share-based payment and exceptional items expenses of £1.3m (2021: £2.2m). On this basis, Adjusted EBITDA was £4.9m (2021: £4.4m).

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	2022 £m	2021 £m
EMEA	**5.5**	6.1
Americas	**(0.7)**	(2.2)
APAC	**0.1**	0.5
Total	**4.9**	4.4

Financial Review continued

Regional Adjusted EBITDA continued

EMEA

Adjusted EBITDA of £5.5m (2021: £6.1m) is a reduction year on year of £0.6m. The reduction in profitability was driven by our decision to maintain headcount through the winter resurgence of COVID-19 to ensure we had sufficient resources ready for the uplift in activity, which subsequently came through in the second half of the year.

Americas

The Americas region Adjusted EBITDA loss has decreased by £1.5m to £(0.7)m (2021: £(2.2)m). The reduced loss was driven by the strong uplift in Net Revenues particularly in the second half of the year. This increase in activity and Net Revenue meant that the region moved into profitability in the second half of the year.

APAC

The APAC region Adjusted EBITDA of £0.1m (2021: £0.5m) was a reduction of £0.4m due to activity continuing to be subdued across the region for most of the year with various lockdown measures in place across most of the region. However, we did see some signs of recovery towards the end of the year.

Amortisation

Amortisation costs, relating to the internal platform (TenMAID) and the member-facing platforms, were £4.6m in 2022 (2021: £4.0m) reflecting continued investment in technology to drive improvements in service levels, efficiency, and competitive advantage.

Net finance expense

Net finance expense in the year was £0.1m (2021: £0.5m); the expense included IFRS 16 lease interest expense of £0.1m as well as foreign exchange gains on the translation of inter-company balances in the year of £0.2m (2021: £(0.2)m).

Share-based payments

The share-based payments expense in the year was £0.5m (2021: £1.6m). These related to share-based payments expense reflecting share grants made under management incentive plans (see note 28). The prior year charge was higher due to the granting of salary sacrifice scheme options as part of our cost savings through COVID-19.

Exceptional items expense

The exceptional items expense was £0.8m (2021: £0.6m). On 10 June 2022 the Group disposed of the Russian subsidiary Ten Group (RUS) LLC, incurring closure costs associated to the disposal of £0.5m. In addition, the Group recognised a provision of £0.3m related to an ongoing review of overseas taxes and penalties. Prior year exceptional items included an impairment expense of £0.4m and project costs of £0.2m.

Loss before tax

The loss before tax reduced to £(3.8)m from £(5.5)m in 2021.

Taxation

The taxation expense for the year was £0.5m (2021: £0.2m) which related to tax liabilities and payments in relation to overseas entities which recorded a statutory profit.

Loss per share

The total comprehensive loss for the year was £(4.5)m (2021: £(5.8)m), resulting in a loss per share (excluding treasury shares) of 5.2p (2021: loss per share of 7.2p). The Board does not recommend the payment of a dividend.

Group cash flow

	2022 £m	2021 £m
Loss before tax	**(3.8)**	(5.5)
Net finance expense	**0.1**	0.5
Working capital changes	**(0.1)**	0.7
Forgiven US PPP loan	**—**	(1.0)
Non-cash items (share based payments, depreciation, amortisation and exceptional items)	**8.6**	9.3
Cash generated from operations	**4.8**	4.0
Capital expenditure	**(0.9)**	(0.2)
Investment in intangibles	**(6.4)**	(5.4)
Taxation	**(0.6)**	(0.5)
Cash outflow	**(3.1)**	(2.1)
Cash flows from financing activities		
Sale of treasury shares	**0.5**	—
Receipts on exercising of options	**1.4**	0.9
Loan receipts	**3.4**	—
Repayment of leases and net interest	**(2.7)**	(2.9)
Net cash from/(used in) financing activities	**2.6**	(2.0)
Foreign currency cash and cash equivalents movements	**0.4**	(0.2)
Net decrease in cash and cash equivalents	**(0.1)**	(4.3)
Cash and cash equivalents	**6.6**	6.7
Net Cash, (defined as Cash less borrowings	**3.2**	6.7

Cash generated by operations was £4.8m (2021: £4.0m). Non-cash items in the year of £8.6m (2021: £9.2m) included the increased amortisation charges, offset by a reduction in depreciation charge relating to IFRS 16 Right-of-Use assets as well as a reduced Share Based Payment charge with less options granted during the year. The expenditure capitalised on IT equipment and infrastructure was £0.9m (2021: £0.2m), and on the Ten Digital Platform and TenMAID totalled £6.4m (2021: £5.4m) as we continue to invest in our technology. Net cash from financing activities is primarily due to loan receipts of £3.4m, of which £1.5m was from a related party loan, share option receipts of £1.4m, and sale of treasury shares of £0.5m offset by IFRS 16 lease payments and interest of £2.7m. This has led to an overall decrease in cash of £0.1m during the year with a decrease in Net Cash to £3.2m.

Group balance sheet

Summary balance sheet	2022 £m	2021 £m
Intangible assets	**13.4**	11.6
Property, plant and equipment	**0.9**	0.6
Right-of-use assets	**2.2**	2.6
Cash	**6.6**	6.7
Other current assets	**10.1**	5.8
Lease liabilities	**(1.8)**	(1.5)
Current liabilities	**(17.3)**	(12.2)
Short term borrowings	**(1.5)**	—
Long-term borrowings	**(1.9)**	—
Other non-current liabilities	**(0.9)**	(1.7)
Net assets	**9.8**	11.9
Share capital/share premium	**30.7**	29.4
Reserves	**(20.9)**	(17.5)
Total equity	**9.8**	11.9

Net assets were £9.8m (2021: £11.9m). The reduction in the year is driven by short term borrowings of £1.5m (2021:£nil) and long-term borrowings of £1.9m (2021: £nil) taken out during the year. This is to ensure the Group has sufficient working capital to support the growth in the business.

Key Financial Performance Indicators (KFPIs)

Management accounts are prepared on a monthly basis and include KPIs covering revenue, Adjusted EBITDA, 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:

	2022	2021	2020	2019
Net Revenue (£m)	**46.8**	34.7	44.2	45.8
Corporate revenue (£m)	**41.1**	31.9	40.9	40.3
Supplier revenue (£m)	**5.7**	2.8	3.3	5.5
Net Revenue growth %	**35.0%**	(21.6%)	(3.5%)	23.0%
Adjusted EBITDA (Pre-IFRS 16) (£m)	**—**	—	—	(3.3)
Adjusted EBITDA (£m)	**4.9**	4.4	4.8	—
Cash and cash equivalents (£m)	**6.6**	6.7	10.0	12.3
Net Cash (£m)	**3.2**	6.7	10.0	12.3
Material Contracts	**28**	24	23	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, corporate client development, technology updates. As described above, the Group's performance against its KFPIs had been impacted by the effects of COVID-19. Net Revenue recovered in the year and is now above pre-COVID, FY 2019 Net Revenue, whilst Adjusted EBITDA was broadly maintained over the last three years.

Going concern

The impact of plausible adverse macroeconomic scenarios on Ten's business still warrants focus and real-time management. The Group is particularly exposed to the adverse impacts to variable revenues from these scenarios as well as the risk of corporate revenue contracts not being renewed.

The Group has set its budget for 2023 and forecast for the following year but we recognise that there are scenarios under which the Group could be impacted by reductions in the number of member engagements and by prospective corporate clients failing to renew contracts. From our budget base case, a stress scenario of 20% reduction in variable revenues was performed as well as a severe downside scenario of 90% reduction in variable revenues. In each of these scenarios, 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 this should occur, the Group will continue to manage its working capital position, as well as making significant reductions in its fixed costs.

Post Year End events

Since the end of the year, the Group has:

- increased the size of a programme in Latin America from the equivalent of a Medium contract to the equivalent of a Large contract due to member engagement exceeding expectations, leading to an additional commitment from the corporate client to expand the programme
- raised a further £385k of loans with interest payable quarterly in arrears in cash at 8% per annum during the term of the loan, a 1% administration fee payable in cash at drawdown, repayable on 25 August 2025
- extended the exercise periods of remaining options granted under the Salary Sacrifice Scheme established as a cost saving initiative in response to COVID-19 from two or three years to four years from the respective date of grant

Alan Donald
Chief Financial Officer
22 November 2022

Risk Management

Managing our risks

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 49 of the Corporate Governance Statement and page 51 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.

	Description	Mitigation	Change in 2022
Finance/Macroeconomic			
Financial resources	Failure to effectively manage the Group's financial affairs and ensure an appropriate financial position and for future growth. Increase in costs and/or a reduction in revenue likely to reduce profitability and cash, which result in insufficient cash to satisfy the Group's working capital requirements. Other risks include the incorrect payment of tax which could result in penalties, foreign exchange movements and losses through control failure or fraud.	The Group's experienced finance team oversee a well-established and responsive financial planning process which enables the Group to forecast its ongoing liquidity requirements. Prudent cash management, including securing debt, in place to maintain working capital requirements. External professional expertise utilised for tax and other specialist areas. Use of robust financial systems to enhance financial controls and reporting, enabling continual review. Monitoring of foreign currency sensitivities and leveraging natural hedging.	Raised debt to support the Group's working capital cash flow requirements. Development of the financial and other back-office functions and expertise, including the implementation of financial systems, to increase capacity. Continue to review and improve the control framework with standard operating procedures in place alongside continued monitoring of the Group's cost base.
Global events, global economic and political factors	Current uncertainty in the market because of: a) COVID-19 and related restrictions on travel and our members that can impact member activity and revenue.	a) Ten has a proven ability to adapt working practices and its member proposition to lifestyle needs, alongside corporate client contract minimums, to manage demand and revenue under lockdown restrictions.	a) The effects of COVID-19 on Ten's stakeholders and business have generally declined during the year, despite the effects of Omicron in H1 and restrictions continuing in parts of APAC.
	b) The war in Ukraine which resulted in the closure of the Group's Moscow office in March 2022.	b) The Group's Russia business contributed <1.5% of the Group's Net Revenue H1 2022, which was mitigated by growth elsewhere in EMEA. The potential for further disruption is mitigated by the Group's global footprint and flexible business model.	b) The escalation of the conflict in Ukraine at the beginning of H1 resulted in the Group incurring one-off costs of £519k associated to the disposal of Ten's Russian subsidiary.

	Description	Mitigation	Change in 2022
Finance/Macroeconomic continued			
Global events, global economic and political factors continued	c) General economic downturn and cost of living crisis/ inflation	c) Macroeconomic changes in each region are monitored by the Senior Leadership Team as well as by the Board. The Group reviews its pricing in line with changes in the macroeconomic environment and external cost pressures.	c) Regional inflation and cost of living pressures has increased costs and led to some price increases with corporate clients in the year.
Regulatory and compliance	Failure to comply with regulatory standards including but not limited to travel, data protection, privacy, employment law, tax, financial regulations, consumer law. Potential fines or other penalties for non-compliance, or legal proceedings. Failure to comply with internal policies and procedures that could result in financial or other losses. Regulatory breaches may lead to adverse publicity which could adversely impact sales growth and profitability.	Industry specific and local regulations and legislation are closely monitored by the legal, compliance, finance, and HR teams, with external professional advice obtained on relevant matters. The Group takes data protection seriously and has in place robust data protection procedures to ensure it is compliant with GDPR regulations. Group policies are maintained, with relevant training delivered to ensure compliance. Regular corporate client audits of business practices monitor regulatory and contractual compliance.	The Group's global footprint is largely unchanged in the period. No compliance breaches identified in 2022. Data privacy arrangements updated, including updates to the Group's Data Processing Agreements and International Data Transfer Agreements.
Environment, Social and Governance (ESG)	Failure to meet our ESG ambitions and deliver on the expectations of our shareholders, corporate clients, employees, members, and other stakeholders could impact the Group's growth and reputation. Climatic risks associated with global average temperature increases due to increased concentration of greenhouse gases in the atmosphere causing significant natural disasters, changes in legal frameworks, or disruption to supply chains or changes in member behaviours.	The Group's ESG Working Group, which regularly reports to the Board and Audit & Risk Committee formulates and implements the Group's sustainable business strategy, focused on greater transparency, operational changes with positive impacts and encouraging our members and suppliers to make sustainable choices. The Group has applied for B Corp certification to further formalise the Board's commitment to growing a sustainable business and aligning the Group with the rising ESG priorities of Ten's stakeholders.	The Group has applied for B Corp certification. The Group's Global Diversity Equity and Inclusion Council has expanded its DEI Programme. Enhanced DEI and carbon emission monitoring and disclosure. Reduced the ratio of energy usage and carbon emissions per total £m of Net Revenue.

Risk Management continued

	Description	Mitigation	Change in 2022
Operational			
Recruitment and retention of talent	Failure to manage people-related risks including potential loss of culture, could result in operational or strategic disruption. The success of the Group relies on the continued service and expertise of its people, and on its ability to continue to attract, motivate, develop, and retain committed and skilled employees.	Salaries, bonuses and share options are reviewed regularly to ensure staff are paid fairly. Flexible working continues to be offered where appropriate. Annual employee satisfaction is monitored, with actions implemented to address concerns and dissatisfaction. Continued emphasis on staff development, including through the Group's Global Leadership Programme.	Regional wage inflation and buoyant recruitment markets increased salary pressures. Increased focus on management succession and development. Graduates from the Group's Global Leadership Programme have secured promotions within the Group and now mentor staff and interns. Expansion of the Group's DEI Programme to improve inclusion and ensure equality of opportunity.
Corporate clients and competition	Most 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 could impact the Group's revenue and profitability targets. Failure to maintain operational efficiencies and/or keep prices in line with increase in costs could impact profitability of contacts. Price increased could result in the loss of corporate clients. Failure to retain corporate clients and maintain a compelling proposition compared to competitors	The Group continues to have a strong sales pipeline. The Group's corporate client services team works with key corporate client contacts on an almost daily basis and delivers data-driven reporting to monitor compliance with service levels and illustrate the return on the corporate client's investment in Ten's services. Regular reviews of pricing and other commercial terms. Competitive advantage maintained, in part, through Ten's market leading Ten Digital Platform.	The Group retained all Material Contracts that came up for renewal during the period and secured four new Material Contracts. Confidence of existing and new corporate clients returning, following the effects of COVID-19. Some price increases agreed with corporate clients, driven by the value of the service and robust competitive position.
Supplier partners	The Group engages supplier partners 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 supplier partners of goods and/or services, including providers of travel; tickets; dining; and retail. Failure to manage cost pressures in the supply chain. Failure to identify underperforming supplier partners 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 supplier partners and the business is clear on which alternative supplier partners there are in the market should a change be required. The Group's tested recovery protocol also plans for the loss of key supplier partners on the Group's infrastructure. Initial and regular due diligence checks are conducted on key supplier partners to test their creditworthiness as well as contract and regulatory compliance. Implementation of a new Supplier Code of Conduct which outlines the minimum standards and transparency expected from all supplier partners.	New strategic partnerships with hotel, ticketing, restaurant, and travel suppliers to enhance Ten's member proposition. Reviews of Ten's key technology, IT, and cloud providers. Implementation of a new Supplier Code of Conduct.

	Description	Mitigation	Change in 2022
Technology			
Digital strategy and competition	The Group's digital strategy and focus on enhancing its member proposition makes is key to the Group's market share and competitive advantage. Failure to maintain the performance of the Group's 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.	Maintain investment in the Group's digital strategy is integral to ensure 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.	£13.6m (2021: £11.5m) invested in proprietary digital platforms, communications, and technologies. Ten Digital Platform is live with 35 (2021: 27) corporate client brands globally, including 80% (2021: 64%) of our Material Contracts. Developed key improvements to the Ten Digital Platform.
Data privacy, security and cyber security	Failure to provide a resilient platform for all business activities or to prevent the loss of data or loss of access in the event of a security threat. 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. 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, including the use of external penetration testing. Employees are provided regular security training. The Group is Payment Card Industry Data Security Standard Level 1 (PCI DSS) certified and SOC Type 2 compliant. PCI DSS and SOC Type 2 audits and penetration tests are conducted by independent external auditors each year and augment the other checks that are run by the Group and by our corporate clients.	Despite the Group's continued mitigation efforts, the risk of a cyber security attack for all companies continues to increase. No major cyber incidents during the year. Retained Ten's PCI DSS Level 1 accreditation and SOC Type 2 certification during the year.

Responsible Business

Committed to growing a sustainable business

Ten is on a mission to become the world's most trusted service by growing a responsible, member-focused and pioneering business. Understanding our Environmental, Social and Governance (ESG) risks and opportunities across our three pillars of sustainably is critical to realising this ambition.

Our Sustainable Business Strategy has three priorities:

Greater transparency that informs better, data-driven decision-making	Change internal operations and behaviours to make a positive impact	Actively encourage our supplier partners and members to make more sustainable choices

"I am thankful to our people who strive to have a positive impact, including giving our members more sustainable choices. Our application for B Corp certification is significant and will have positive impacts that are pervasive across the business."

Jules Pancholi
Independent Non-Executive Director and Chair of the ESG Working Group

1 Governance for sustainable growth

↑ São Paulo, one of Ten's operational hubs for Latin America

Sustainable Business Strategy

Our sustainable business strategy, formulated by the Group's ESG Working Group, assessed our most material ESG issues, based on consultation with different functions and regions across the business. Regular engagement with investors and other stakeholders helps to refine our priorities. Further details of the Board's engagement with stakeholders are set out on pages 40 to 42.

The ESG Working Group reports regularly to the Audit & Risk Committee and the Board, which retains oversight of the Sustainable Business Strategy, assessing the relevant ESG risks and opportunities and ensuring the principles of governance are woven into the fabric of the business.

B Corp certification

This year, we have submitted applications to become B Corp certified, which will further formalise the Board's commitment to growing a sustainable business and will have significant positive effects on the Company and stakeholders, including:

- Aligning with the rising ESG priorities of Ten's existing and prospective corporate clients
- Demonstrating Ten's ESG credentials to existing and prospective shareholders, members, supplier partners and other stakeholders
- A competitive advantage as a leader in responsible business practices
- Helping us attract and retain people who share Ten's values and want to further the Company's mission

On 19 July 2022, a shareholder resolution passed with 95% of votes cast to amend the Group's Articles of Association and adopt B Corp's legal requirement that will commit Directors to a "triple bottom line" approach to building a sustainable business. Further information can be found here: www.tenlifestylegroup.com/investors/resources/.

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.

Board role, independence and diversity

The Board sets the Group's strategy for achieving long-term success and is also ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group, as further described on pages 48 and 49.

The Board is comprised of four Executive Directors, the Non Executive Chairman, and a further two independent Non-Executive Directors. The Board believes that the Directors have an effective blend of industry, financial and public market experience, diversity, skillsets and capabilities. The Audit & Risk and Remuneration Committees are comprised of independent Non-Executive Directors.

Board role, independence and diversity

Independence	Female representation	Ethnic diversity
43%	29%	14%

Responsible Business continued

↙ An original image of Ollie Dabbous, head chef at HIDE London where Ten hosted a Ukraine fundraising dinner

Our ambition is to be a market-leading place to work, underpinned by a culture where our people feel valued and able to positively impact our member's lives and creating value for our corporate clients as well as enriching the lives of our colleagues and their communities.

Diversity, Equality and Inclusion (DEI) strategy

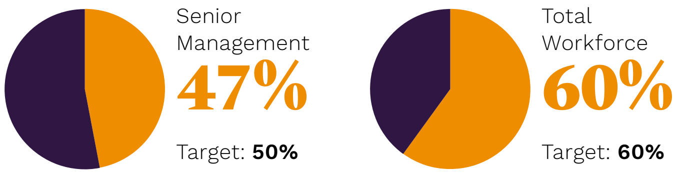
The Group's success is underpinned by a diverse and talented team based in over 20 cities worldwide, with a wide range of skills, backgrounds and perspectives – a highly valued attribute of the business. We are therefore committed to delivering a DEI Programme, implemented by the Global Diversity Equity and Inclusion Council, that empowers our people to oppose discrimination, ensure equality of opportunity and ensure Ten is an inclusive place to work as well as delivering a platform that reflects our global membership.

Our DEI Programme agenda has four clear strategic focus areas:

- **Transparency:** increase the visibility of Ten's commitment to and work on DEI
- **Education:** increase training and support on DEI issues
- **Promotion:** attract and retain a workforce that reflects local demographics and increase the diversity in management roles
- **Engagement:** improve engagement with DEI issues through events and content

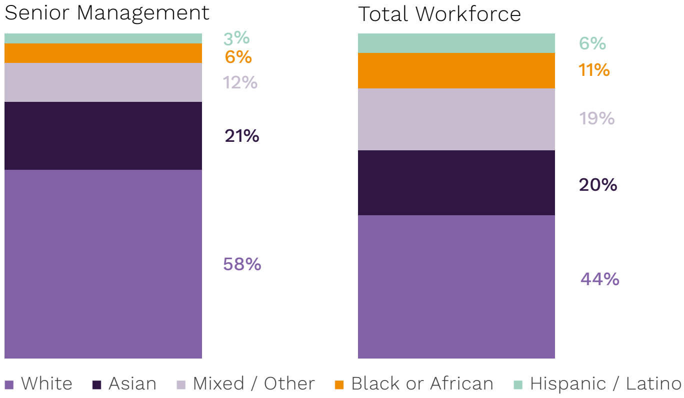
Gender Diversity

We are pleased to report that women are well represented in both senior management roles and across the workforce and in all regions and remain committed to ensuring that women are supported to attain senior positions throughout the business and in all regions.



Racial and Ethnic Diversity

Through voluntary surveys, we will continue to measure whether the racial and ethnic diversity of our workforce reflect local demographics and diversity in in senior management roles to track the performance of the EDI Programme, which is targeted to increase the representation of Black and Hispanic/Latino in senior management roles in the Americas.



Developing leaders

The Group is proud of its track record of developing talent. This is enabled by the Global Leadership Programme, a twelve-month internal development programme aimed at developing the Group's future leaders and personal development skills, graduates from which have secured promotions within the Group and now mentor staff and interns. The specific needs of our people, including any disabilities, are carefully considered during the hiring processes, in-role and throughout training and development.

← The interns on Ten's innovative InternXperience program based in Cape Town

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. Flexible working and working from home measures have continued where appropriate and we have relocated or reconfigured office spaces to best suit local needs. When our people are working from home, we conduct workstation assessments to ensure that health standards are met.

← Mexico City, one of Ten's operational hubs for Latin America

Ethical supply chains

Maintaining trusted, sustainable partnerships with robust supplier partners is integral to the Group's operations and member proposition. We are therefore expanding our supplier partner 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.

This year, the Group has published its Supplier Code of Conduct, which outlines the minimum standards and transparency expected from all supplier partners and requiring supplier partners to have processes in place to maintain these standards and be able to provide evidence if required. A collaborative approach is being taken to implement and test against the Code, with contractual requirements being incorporated as standard.

← Grüum, one of Ten's retail partners who have a focus on ESG

Treating data with respect

Data is at the heart of our business and our members and corporate clients trust us to treat their data with care and respect. We therefore take data privacy rights and data protection seriously and have in place robust data protection procedures to ensure it is compliant with relevant regulations such as the General Data Protection Regulation (GDPR) in the UK and European Union, the California Consumer Privacy Act (CCPA) in the USA and the Brazil General Data Protection Law (LGPD).

The Information security and Compliance teams undertake regular audits, receive regular training and the Group maintains robust processes to ensure the proper processing of personal data and mitigate the risk of cybercrime.

← London, one of Ten's data centre locations

Supporting our communities

We continue to be committed to charitable activity within local communities, with the launch of new initiative in the year granting paid leave to all employees globally, in order to volunteer for charities selected by them personally. A number of employees have undertaken or pledged work in their communities, including fundraising support for children's cancer charities in the UK, to gathering essential supplies and working with jobseekers to improve their employment prospects in Cape Town.

We also host charity events for our members with supplier partners. For example, we hosted a fundraiser at London restaurants The Ninth and HIDE, which raised c. £10k to support the Disasters Emergency Committee appeal in Ukraine.

← Ladles of Love "Feeding the Soil" programme, where employees of Ten organised volunteering

Responsible Business continued

3

Reducing our impact on the environment

↑ The Brando, French Polynesia, part of the Ten Global Hotel Collection with a focus on sustainability and preservation

Carbon emissions

As a digitally enabled service business, most of our carbon footprint is generated from our operations, with Scope 3 greenhouse gas emissions, particularly from our staff's air travel and working from home, accounting for 82% of our measured carbon footprint.

We use intensity ratios based on the tonnes of CO_2e and the megawatt hours per total £m of Net Revenue to monitor our energy efficiency performance and carbon footprint. Based on like-for-like data, energy usage and carbon emissions per total £m of Net Revenue continues to fall year-on-year and we remain committed to reducing the carbon emitted from our own operations based on these ratios.

We have adopted practices to conserve energy, water, and reducing waste, including using recyclers and refurbished equipment. We utilise cloud service providers that use renewable energy. Energy and green building rating scores are considered when selecting offices and we work with landlords to assess energy providers, energy efficiency and air quality (e.g., install light sensors and water reduction faucets). We make use of online collaboration tools, flexible working practices and have increased bicycle parking spaces available to reduce the impact of business travel and commuting.

We continue to expand our energy consumption and greenhouse gas (GHG) emission reporting under the Streamlined Energy & Carbon Reporting (SECR) framework to identify opportunities to reduce emissions, as set out on pages 40 and 41. This year, we have included all offices, whether leased or serviced, in Scope 2 analysis and have included energy consumption from major data centres and cloud providers within Scope 3. We recognise that emissions are generated by employees whilst working from home, so we have included an estimate of those emissions within Scope 3.

Member activities

Ten has the ability to positively influence our members' behaviour by offering more sustainable lifestyle choices as well as helping members understand how they can achieve their personal carbon footprint goals. Individual shifts away from carbon-intensive travel and dietary lifestyle choices is particularly important among wealthier groups if we are to avoid dangerous levels of global heating[1].

The ESG Working Committee works closely with Ten's proposition, digital and content teams to identify three clear strategic areas to promote sustainable choices amongst our membership:

- Strengthen Ten's sustainable proposition to deliver member choice
- Enhance visibility of choice across all channels
- Facilitate member philanthropic activities in partnership with our corporate clients

This has resulted in Ten partnering with more sustainable retail brands, resorts, events promoting greater diversity and fundraising events, more widely promoted across our editorial content and tailored member communications, including over 40 articles published focused on sustainability topics. Ten's Supplier Code of Conduct includes minimum environmental and sustainability standards expected from all supplier partners and a collaborative approach is being taken to implement and assess how it is adopted.

Climate transition planning

We recognise the importance of identifying and effectively managing the physical and transitional risks that climate change poses to our business, as well as the opportunities that climate change mitigation and adaptation may create. Last year, we published a statement that aligned with most of the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

This year, we have completed a scenario analysis in line with the TCFD recommendations as set out on pages 35 to 37. The scenario analysis, which outlines eight critical transitional and physical risks, and four pivotal opportunities related to climate change, will lay the foundation for continued, relevant and evolving disclosures (including financial disclosures) as recommended by the TCFD framework.

Scenario Analysis

Drawing from external research and internal stakeholder expertise, we conducted a climate scenario analysis. We measured against two climate scenarios, adopted from the TCFD frameworks of businesses leading the way in climate action:

- Scenario 1: High carbon scenario (>3°C): 'the bad scenario' in which greenhouse gas emissions continue to increasingly destructive levels, leading to significant physical impacts from climate change.
- Scenario 2: Low carbon scenario (<2°C): 'the better scenario' in which global temperature rise and greenhouse gas emissions are vigorously mitigated. However, in this scenario transitional risks persist.

We evaluated how each scenario would impact the severity of each risk and opportunity identified by our ESG Working Group to gain deeper insight into the vulnerabilities and strengths of the present iteration of our climate action strategy.

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

Table One: Transition and Physical Risks and Opportunities

Risk/Opportunity	Risk/Opportunity	Overview	Stage of Assessment
Transition Risks	Compliance	Ensuring Ten Group meets climate action commitments and new licensing requirements (i.e. for travel) at the internal, regional, and global levels.	1
	Product and service adaptation	Adapting The Group's product and service offerings to consumer demands for climate-friendly travel, dining, and entertainment options.	1
	Investor and corporate client sentiment	Investor decisions and corporate client contract negotiations impacted by The Group's climate action strategy and successful execution.	1
	Carbon taxation	Increased costs and expenditures, especially in the travel industry, as a result of carbon tax implementation.	1
	Climate disclosure	Prestige of the service and loyalty of members impacted by climate change strategy, execution, and disclosures.	1
Physical risks	Energy demand	Increased cost of resources necessary for distribution of products and services. (i.e. flight prices)	1
	Extreme weather conditions	Disruption to product and service offerings and demand for services as a result of extreme weather events. (i.e. drought in popular travel destinations like Napa Valley)	1
	Climate migration	Volatile market environment due to rapidly changing and unpredictable weather and climate conditions.	1

Responsible Business continued

Climate transition planning continued

Table One: Transition and Physical Risks and Opportunities continued

Risk/Opportunity	Risk/Opportunity	Overview	Stage of Assessment
Opportunities	Corporate client service lines	Securing new corporate client relationships to improve The Group's positive impact on climate change.	1
	Member service lines	Strengthening relationships with members as a result of The Group's climate action strategy execution.	1
	Proposition development	Developing improved product and service offerings that are climate- and future-focused.	1
	Industry expertise	Leverage The Group's travel, dining, and entertainment expertise to lead environmentally conscious solutions in each sector.	1

All assessments are still in progress and therefore remain in Stage One. In the coming year we will continue to monitor and assess each risk as we are able to better observe them.

Table Two: Transition Risks by climate scenario and time frame

Transition Risks by climate scenario and time frame			Financial Impact Over Time Frame		
Risk	**Financial Impact**	**Scenario**	**Pre-2030**	**2030-40**	**Post-2040**
Compliance	Investor investments, corporate client contracts, and member usage	Low Carbon High Carbon	High High	High High	High High
Product and service adaptation	Member and consumer purchasing behaviour	Low Carbon High Carbon	Medium High	High High	High High
Investor and corporate client sentiment	Prestige and trust negatively impacted by lack of action	Low Carbon High Carbon	Medium Medium	Medium High	High High
Carbon taxation	Increased cost of products, services, and partnerships	Low Carbon High Carbon	Medium High	Medium High	Medium High
Climate disclosure	Internal employee and shareholder expectations on meeting climate change goals	Low Carbon High Carbon	High High	High High	High High

Transition risks pose a substantial financial challenge if they are not adequately addressed in a timely manner. It will be critical for Ten to meet the climate action expectations of members, corporate clients, investors, and consumers with deft execution of its climate strategy.

Table Three: Physical Risks by climate scenario and time frame

Physical Risks by climate scenario and time frame			Financial Impact Over Time Frame		
Risk	**Financial Impact**	**Scenario**	**Pre-2030**	**2030-40**	**Post-2040**
Energy demand	Increased cost of resources to fulfil service demands	Low Carbon High Carbon	Low High	Medium High	Medium High
Extreme weather events	Decrease in demand for services as a result of weather conditions	Low Carbon High Carbon	Low Low	Medium High	Medium High
Climate migration	Societal-level change in consumer and market behaviour as a result of climate change	Low Carbon High Carbon	Medium High	High High	High High

Most physical risks pose an increasing financial impact over time if they are not immediately addressed. As the climate continues to evolve, so too do its physical effects. Ten is committed to swift action to mitigate the physical risks of climate change.

Table Four: Opportunities by climate scenario and time frame

Opportunities by climate scenario and time frame			Financial Impact Over Time Frame		
Opportunity	**Financial Impact**	**Scenario**	**Pre-2030**	**2030-40**	**Post-2040**
Corporate client service lines	New corporate client partnerships and strengthened corporate client relationships as a result of adapted, innovative propositions	Low Carbon High Carbon	Medium Medium	High Medium	High Medium
Member service lines	Strengthened member loyalty and increase usage of the service that meets new consumer demands	Low Carbon High Carbon	Medium Medium	High Medium	High Medium
Proposition development	Increased revenue associated with the formulation of new climate-friendly propositions	Low Carbon High Carbon	Low Low	Medium Medium	High Medium
Industry expertise	Heightened prestige and brand awareness associated with environmental thought leadership in the concierge service and related industries	Low Carbon High Carbon	Medium Low	High Low	High Low

Climate-related opportunities are most present in the Low Carbon scenario, as we have the potential to positively impact the environment through the conduct of our business's climate action plan and sustainable operational schemes.

Our next step on the TCFD journey is to continue our risk and opportunity assessment over the next year, as well as the additional consideration of the climate action strategies of our supplier partners and corporate clients. We are also committed to continuing to expand our reporting under the Streamlined Energy and Carbon Reporting framework to identify opportunities to reduce our Scope 1, 2, and 3 carbon emissions.

We understand that this is just the beginning of our climate transition planning journey and recognise its importance in informing our climate change strategy and remain committed to climate future-proofing our business by successfully executing our strategy in line with TCFD guidelines.

Responsible Business continued

Carbon emissions

We have further expanded the Group's reported carbon emissions to include the energy and GHG emissions from global business activities involving the purchase of electricity for all offices, business mileage and air travel, from data centres, key cloud service providers and related to our employees working remotely from home.

Tables 1 and 2 below show the energy and GHG emissions from these business activities in kWh and tCO_2e and the percentage change when compared to the prior year(s).

Table 3 below shows the Group's selected intensity ratios by year, based on the tonnes of CO_2e and the megawatt hours per total £m of Net Revenue.

We use these ratios to monitor our global energy efficiency performance and carbon footprint over time. The analysis indicates that the Group's like for like energy efficiency performance and carbon footprint relating to the Group's offices and business travel has reduced year-on-year since 2020. By expanding the Scope 3 reporting to include serviced offices, global air travel, data centres and key cloud providers and remote working, the intensity ratio has increased significantly, and further monitoring is required to assess whether the steps taken are effective in improving the Group's efficiency performance and reducing Group's carbon footprint.

Table 1: Greenhouse gas (GHG) emissions and energy use (kWh) by Scope

	2022	2021	2020	2022	2021	2020
		Kilowatt hours of energy (kWh)			Tonnes of carbon dioxide equivalent (tCO_2e)	
Scope 1	**—**	—	—	**—**	—	—
Scope 2						
a) UK electricity	**251,766**	227,424	372,294	**58.19**	48.29	86.80
b) Rest of world electricity (excluding serviced offices)	**248,589**	189,609	—	**56.66**	88.55	—
c) Serviced offices electricity	**205,689**	—	—	**49.23**	—	—
Scope 3						
a) UK refunded mileage	**3,408**	1,077*	45,403*	**0.66**	0.2	8.78
b) Rest of world refunded mileage	**26,915**	9,929*	—	**5.20**	1.92	—
c) Global air travel	**542,744**	—	—	**104.96**	—	—
d) Data centres and key cloud providers	**12,145**	—	—	**2.35**	—	—
e) Remote working	**3,303,066**	—	—	**638.75**	—	—
Total emissions (Scope 1, 2 & 3)	**4,594,321**	428,039	417,697	**915.99**	138.96	95.58

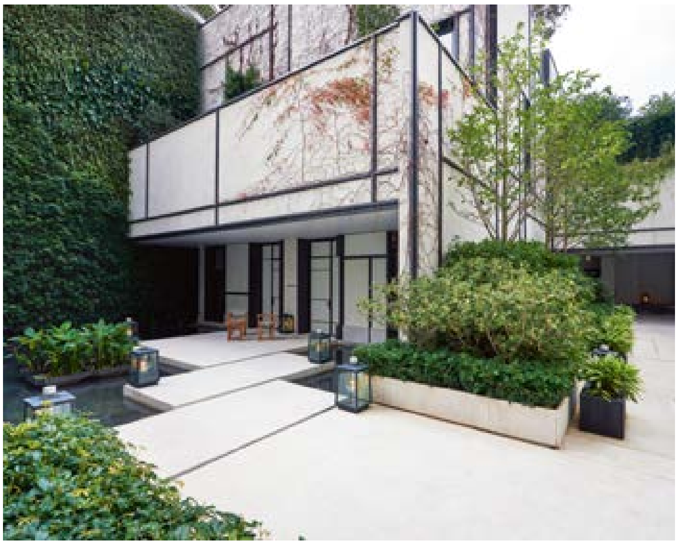
* Scope 3 energy usage for prior years recalculated using UK government's GHG Conversion Factors for Company Reporting (2021) for increased accuracy.

Table 2: Annual changes in greenhouse gas (GHG) emissions and energy use (kWh) by Scope

	2022	2021	2020	2022	2021	2020
		Annual percentage change in Kilowatt hours of energy (%)			Annual percentage change Tonnes of carbon dioxide equivalent (%)	
Scope 1	**—**	—	—	**—**	—	—
Scope 2						
a) UK electricity	**11%**	-39%	—	**20%**	-44%	—
b) Rest of world electricity (excluding serviced offices)	**31%**	—	—	**-36%**	—	—
c) Serviced offices electricity	**—**	—	—	**—**	—	—
Scope 3						
a) UK refunded mileage	**216%**	-98%	—	**230%**	-98%	—
b) Rest of world refunded mileage	**171%**	—	—	**171%**	—	—
c) Global air travel	**—**	—	—	**—**	—	—
d) Data centres and key cloud providers	**—**	—	—	**—**	—	—
e) Remote working	**—**	—	—	**—**	—	—

Table 3: Intensity ratio: Per £m of Net Revenue (tCO_2e/£m / MWh/£m)

	2022	2021	2020	**2022**	2021	2020
	Megawatt hours of energy per £m of Net Revenue (MWh/£m)			Tonnes of carbon dioxide equivalent per £m of Net Revenue (tCO_2e/£m)		
Scope 2 a) and Scope 3 a)	**5.45**	6.59	9.43	**1.26**	1.40	2.16
Scope 2 a) & b) and Scope 3 a) to b)	**11.34**	12.34	—	**2.58**	4.00	—
Scope 2 a) to e) and Scope 3 a) to c)	**98.17**			**19.57**		



↑ An original image from the Asaya Spa at Rosewood Hong Kong, Ten's most booked hotel globally, part of the Ten Global Hotel Collection with a green initiative

↑ Hawksmoor New York, a Ten dining partner with a maximum 3* rating from the Sustainable Restaurant Association

SECR methodology

The figures quoted in Scope 2 a) UK electricity include data from meter readings from the UK office only whereas Scope 2 b) Rest of world electricity (excluding serviced offices) includes data from meter readings or estimates from the Group's non-serviced offices and Scope 2 c) Serviced offices electricity is an estimate of electricity usage at the Group's serviced offices.

The figures quoted in Scope 3 a) UK refunded mileage include refunded business mileage from the UK only whereas Scope 3 b) Rest of world refunded mileage from the rest of the world. Refunded business mileage has been classed as Scope 3 as Ten does not own the assets. We have restated prior year emissions from refunded mileage using up to date conversion factors. Scope 3 c) Global air travel includes global air travel by employees during the period.

The figures quoted in Scope 3 d) Data centres and key cloud providers includes data from three of the Group's global data centres and use of Amazon Web Services.

The figure quoted in Scope 3 e) Remote working is an estimate of energy consumption by our staff when working from home using EcoAct's Homeworking and Commuting Tool.

Conversion factors used to calculate 2022 emissions and recalculate 2021 and 2022 emission were taken from the UK government's GHG Conversion Factors for Company Reporting (2021) to calculate emissions for Scope 2 and 3. An average CO_2e factor has been applied to the refunded business mileage as individual private vehicle details have not been provided.

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.

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.

This year, we have submitted applications to become B Corp certified, which will further formalise the Board's commitment to growing a sustainable business and will have significant positive effects on the Company and stakeholders, as further detailed on pages 30 to 39.

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

Shareholders

↑ A collage of some of Ten's esteemed dining suppliers: Chef Jean-Philippe Blondet (1); Chef Nobu Matsuhisa (2); Chef Cheryl (3); Chef Lisa Goodwin-Allen (4); Chef Tom Kerridge (5)

The Board is committed to an open, meaningful dialogue with and 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 full year 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 share-holders and prospective retail investors, where questions are encouraged and often forthcoming.

In the year, shareholder meetings and investor events have been conducted in person, virtually or using a hybrid approach with good attendance and positive feedback from shareholders. The Group plans to continue offering a range of attendance options, 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

← Burnt Ends Singapore, a Ten dining partner which hosted a member event

Engaging with our members is at the forefront of every decision within the business. Finding better ways for our members to organise their travel, dining, entertainment and other lifestyle needs as well as anticipating or influencing their future needs central to the Group's member proposition. A variety of channels and approaches are used to engage with members, utilising content, eCRM, the Ten Digital Platform and our Lifestyle Managers. We continually assess our member's satisfaction and gather feedback, including through NPS.

For more information about our member proposition see pages 14 and 15.

Corporate clients

← Tokyo, Ten's operational hub for Japan

Proactive engagement with corporate clients is key to securing, developing and renewing their business with Ten, from which the majority of Group Net Revenue is derived. Senior management and the corporate client services team are in almost daily communication with corporate clients to ensure their customers are receiving services in line with or exceeding the corporate clients' expectations and the corporate clients are engaged with data demonstrating their return on investment in 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 corporate clients regularly, to maintain strong relationships.

For more information about our corporate clients, see pages 18 and 19.

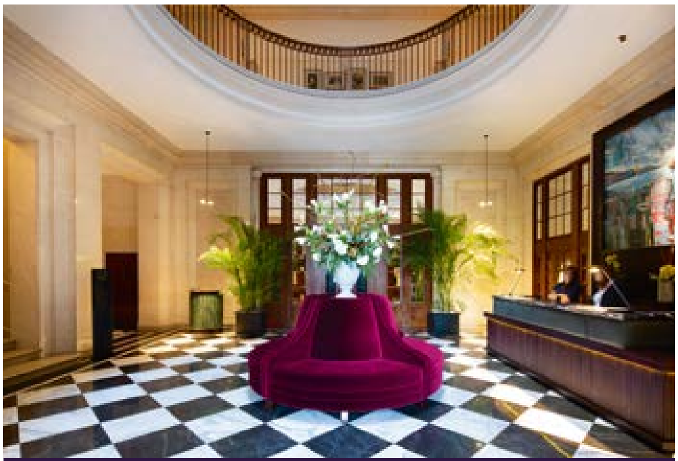
Employees

← Members of Ten's Travel team based in Cape Town

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 30 to 39.



Strategic partners and suppliers

← Cheval the Edinburgh Grand, part of the Ten Global Hotel Collection

Strong relationships with a wide range of strategic supplier partners help Ten deliver value to our members and other stakeholders. Engagement with IT, technology, payment services and telephony providers improve efficiencies. Proposition specialists leverage the combined buying power of Ten's members and our partnerships 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 supplier partners is integrated into the Ten Digital Platform.

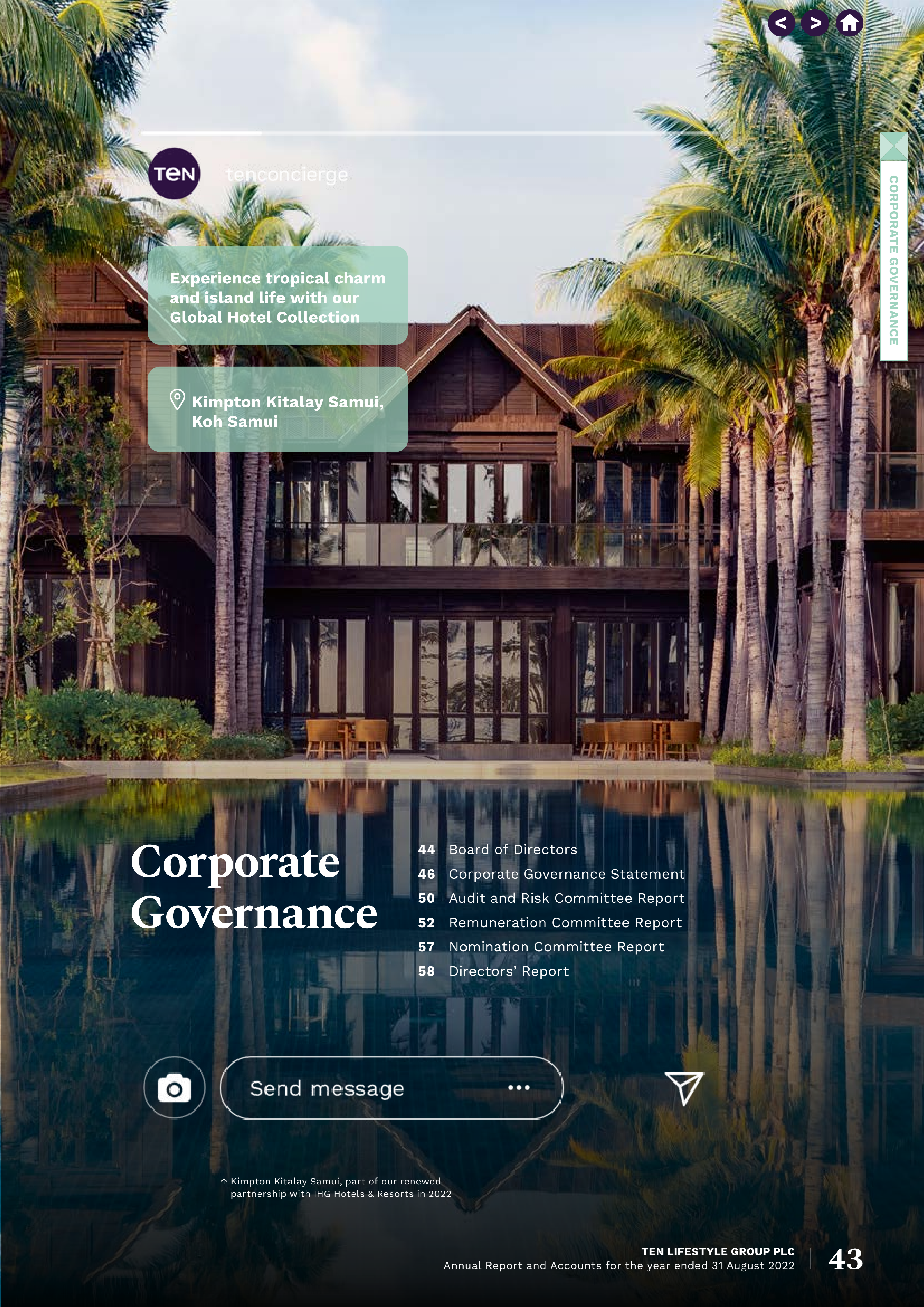
The Board receives updates on key strategic partners as well as approving capital expenditure with supplier partners engaged through a tender process that is committed to sustainable procurement, in line with the Group's Code of Conduct, and mitigation against the risk of modern slavery, bribery or corruption 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 page 33.

Stakeholder Engagement (S. 172) continued

The disclosures set out in the table below 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.

Board decision	Stakeholders affected	Strategic, operational, financial and Section 172 considerations
Operational response to the effects of the Omicron variant of COVID-19 on the business and stakeholders newly hired staff	Corporate clients Employees	▪ Health, wellbeing and safety of employees ▪ Corporate client requirements ▪ Financial impact of retaining staff during a period of reduced demand and revenue vs cost of rehiring and retraining
Approval of the Group's budget, including the continued investment in the Group's proprietary technology, communications and content	Members Shareholders Corporate clients Employees Strategic supplier partners	▪ Maintain the Group's competitive advantage ▪ Improve the member proposition and increase efficiencies through, which drives profitability ▪ Group cash and working capital requirements
Application for B Corp certification and amendment to the Group's Articles of Association and adopt B Corp's legal requirement that will commit Directors to a "triple bottom line" approach to building a sustainable business.	Members Shareholders Corporate clients Employees Strategic supplier partners	▪ Aligning with the rising ESG priorities of Ten's existing and prospective corporate clients ▪ Demonstrating Ten's ESG credentials to existing and prospective shareholders, members, supplier partners and other stakeholders ▪ A competitive advantage as a leader in responsible business practices ▪ Help attract and retain people who share Ten's values and want to further the Company's mission
The ESG Working Group's recommendations, including the expansion of the Group's TCFD and SERC monitoring and climate transition planning	Members Shareholders Corporate clients Employees Strategic supplier partners Environment	▪ Drive the Group towards its ambition to reduce its direct and indirect impacts on the environment ▪ Communicate to investors how we manage the challenges and opportunities of climate change ▪ Identify risks and opportunities likely to arise as a result of global warming ▪ Regulatory and environmental compliance
Related Party Loan and other debt	Shareholders Corporate clients	▪ Group cash and working capital requirements ▪ Operational requirements of expanding existing and launching new corporate client existing programmes ▪ Legal and compliance requirements for related party transactions ▪ Whether the terms of the Related Party Loan were fair and reasonable as far as the shareholders were concerned



Corporate Governance

↑ Kimpton Kitalay Samui, part of our renewed partnership with IHG Hotels & Resorts in 2022

Board of Directors

Bruce Weatherill (FCA)
Independent Non-Executive Chairman

A N

A Chartered Accountant with over 40 years' experience in the global financial services industry, Bruce was appointed Chairman in October 2017, bringing leadership, financial control, commercial expertise and a proven history at board level. Until 2008, Bruce was a partner at PwC and Global Leader of its Private Banking and Wealth Management practice. Since leaving PwC, Bruce set up Weatherill Consulting, providing consulting services to Wealth Management Companies around the world.

He is also Chairman of ClearView Financial Media (Wealth Briefing), The Wisdom Council and Director and Committee member of the All England Lawn Tennis Club (and subsidiaries) and Chairman of The Wimbledon Foundation.

Alex Cheatle
CEO and Co-Founder

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.

N

Andrew Long
COO and Co-Founder

Andrew Long is responsible for key corporate 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 leadership responsibilities for APAC since 2012.

Alan Donald
CFO

Alan Donald brought his 30+ years of experience working in the insurance, healthcare, aviation, business travel and leisure sectors to Ten in June 2019. Prior to joining Ten, Alan was UK Finance Director at Thomas Cook Group plc 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 at Menzies Aviation, part of the John Menzies Group plc. Alan also held senior finance positions at Willis Corroon plc, 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

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 holds Non-Executive and Chairman positions with a number of innovative growth companies including Oritain (forensic supply chain traceability and ESG), Simple Online Healthcare (e-commerce automation), Nitro Digital (Life Sciences marketing), Easy Storage (storage innovation), Borrow My Doggy (two-sided marketplace) and Lumity Life (wellness e-commerce). His other ventures include Nixxie Ltd (a US-focused advertising tech business), Socius Technologies Group Limited (a B2B Fintech workflow solution) and Nitro Property Ltd (a syndicate-based property portfolio business). He serves on the Investment Committee of Love Ventures. 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.

N R

Gillian Davies
Independent Non-Executive Director

Gillian is a Chartered Accountant, qualified with KPMG, and 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. Gillian spent eleven years as Group Finance Director of FTSE listed 4imprint Group plc, and then became CFO of AIM listed Harwood Wealth Management Group until its sale to private equity. Gillian is 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 an Executive and Non-Executive in the listed environment.

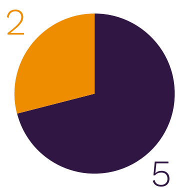
A R

Key:

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

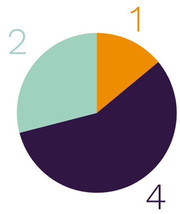
Board structure

Gender



- Male
- Female

Board composition



- Non-Executive Chairman
- Executive Directors
- Non-Executive Directors

Corporate Governance Statement

Chairman's introduction

As Chairman, I am responsible for leading the Board to ensure that it effectively adopts and delivers a governance model that is appropriate for the size and complexity of the business and effectively communicates how the business is performing to shareholders and its other stakeholders. The Group has elected to comply with the Quoted Companies Alliance's (QCA's) Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code") and we set out how we comply with the QCA Code below.

Ten's mission to become the most trusted service platform in the world is driven by the Board's shared purpose to build a sustainable, member-focused and pioneering business. I am therefore excited that we applied to become B Corp certified during the year as we believe that certification will have significant positive effects on the business and its stakeholders by committing the Board to uphold the highest standards of verified social and environmental performance, public transparency and accountability. Further details of the B Corp application are set out on page 31.

Bruce Weatherill
Chairman
22 November 2022

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 pages 40 to 42.
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. Non-Executive Director Jules Pancholi chairs the ESG Working Group, which oversees the implementation of a Sustainable Business Strategy. For more information see pages 30 to 39.
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 page 51.

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 Non-Executive 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 46 to 49.
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 page 57.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	✓	The Chairman leads an annual evaluation of the Board's effectiveness to identify areas for improvement and facilitate a plan of actions to address them. Year-on-year improvements are then monitored by the Board. For more information see page 49.
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 31.
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 pages 48 and 49.
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 40 to 42.

"The Board renews its commitment to uphold a robust corporate governance model to deliver value to shareholders and benefits to all its stakeholders."

Corporate Governance Statement continued

Board composition and independence

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 is comprised of four Executive Directors, two of whom are founders, the Non-Executive Chairman, and a further two independent Non-Executive Directors (43% 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 57.

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 12 to 21 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.tenlifestylegroup.com/investors). Reports by the Chairperson of the three Committees are reported separately on pages 50 and 51 for the Audit and Risk Committee, pages 52 to 56 for the Remuneration Committee and page 57 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 Group's ESG Working Group, chaired by Jules Pancholi, Non-Executive Director, and comprised of Andrew Long, Executive Director as well as senior staff from the business, reports to the Audit & Risk Committee as well as the Board.

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 44 and 45.

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. Andrew Long was unable to attend two Board meetings while he was completing a leg of the Clipper Round the World Race for charity and a third scheduled at a time to suit attendees in the USA, while he was home in Singapore.

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	5	2	2
Bruce Weatherill	7	4	—	2
Gillian Davies	7	5	2	—
Jules Pancholi	5	—	2	2
Alex Cheatle	7	—	—	2
Andrew Long	4	—	—	—
Alan Donald	7	—	—	—
Sarah Hornbuckle	7	—	—	—

In addition to the Board meetings, the Board attended two strategic away days during the year to focus on strategic planning to achieve the Group's medium and long-term objectives.

Board effectiveness

The Chairman has undertaken an evaluation of the Board's effectiveness using the following evaluation indicators:

- clear purpose and strong leadership
- 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

The Chairman 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. Specific actions were identified, including increasing frequency of presentation from the Senior Leadership Team that 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.

Board development

The Directors receive regular updates on legal, regulatory and governance matters from the Group's Nomad, Company Secretary, independent external auditor and other external advisers to ensure the Directors' awareness and the Board's governance processes 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, supplier 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. This year, we have submitted applications to become B Corp certified, which will further formalise the Board's commitment to growing a sustainable business and will have significant positive effects on the Company and stakeholders, as further detailed on page 31. 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 40 to 42 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, which is in turn informed by the ESG Working Group, to ensure that the Group is aware of and mitigating risks related to ESG issues.

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 7 February 2023. Full details will be included in the Notice of Meeting which will be published on our website in due course (www.tenlifestylegroup.com/investors).

Audit and Risk Committee Report

Gillian Davies
Chairperson of the Audit and Risk Committee

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

The Committee reviews reports on the interim and annual accounts, financial announcements, Ten'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 Ten's risk management system, including ESG-related risks and opportunities.

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 a range of Executive and Non-Executive experience in both AIM and Main Market companies. Bruce previously served as a partner at PwC and as global leader of its banking and wealth management practice and has held a number of Non-Executive positions. It is the Board's view that we both have significant recent and relevant financial experience.

Alex Cheatle, Group CEO, and Alan Donald, CFO, or Jules Pancholi, Non-Executive Director may attend Committee meetings by invitation. The Committee held five scheduled meetings during the year. The Chair of the Committee regularly meets with the CFO and invites other members of the Finance Team to present to the Committee.

Business of the Committee

The main duties of the Committee are set out in its terms of reference, which are available on Ten'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 Ten based on reports from executive management
- consideration of ESG risks, strategies, and reporting
- consideration of going concern, business model and strategy
- consideration of debt, including the related party loan, and cash flow forecasting
- consideration of the impact of exchange rates
- consideration of the risks and response to the conflict in Ukraine
- the review of the structure of the Finance Team
- the review of new financial systems and their implementation
- the review of whistleblowing, modern slavery and anti-bribery arrangements
- the review and approval of the 2022 audit plan and audit engagement letter
- the review of suitability of the external auditor
- meeting with the external auditor without management present
- consideration of the external audit report and management representation letter
- 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. 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.

↑ Rubaiyat Faria Lima, São Paulo, a Ten dining partner

"I am pleased to present the report on behalf of the Audit and Risk Committee for the period ended 31 August 2022."

Risk management, internal controls and internal audit

As detailed on page 49 of the Corporate Governance Statement, Ten's risk management and internal control framework is monitored by the Committee. The framework is designed to manage the Board's risk appetite rather than eliminate the risk of failure to meet Ten'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 business are set out in the section of this report on risk management on pages 26 to 29.

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

Going concern

In preparation for the publication of the Group's Financial statements, the Audit Committee conducted a comprehensive review of the going concern position. Management prepared a paper setting out the methodology and assumptions used for the assessment of going concern, based upon the Group's approved budget and forecast for the following year together with sensitivity analysis. The Committee discussed the assumptions and results, including

- base case
- results of severe, but plausible downside scenarios
- stress tests undertaken
- mitigating actions including reducing elements of the cost base
- financing facilities available

Following this review the Committee confirmed to the Board that they were satisfied that the Group should adopt the going concern basis for of accounting in preparing the financial information for the year ended 31 August 2022 and that there is a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future.

External auditor

The Committee is responsible for reviewing the suitability of the external auditor, BDO, to ensure that auditor independence and objectivity are maintained. In the year, there was a change of audit partner in line with the normal five-year partner rotation for listed companies. 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 Ten in 2017 and the Committee continues to be satisfied with its effectiveness.

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 7 to Ten's financial statements.

Taking into account the auditor's knowledge of the business and its experience, the Committee has recommended to the Board that the auditor is re-appointed for the period ending 31 August 2023.

Gillian Davies
Chairperson of the Audit and Risk Committee
22 November 2022

Remuneration Committee Report

Jules Pancholi
Chairman of the
Remuneration Committee

Our people are key to delivering on Ten's mission to become the most trusted service in the world and our remuneration strategy is designed to motivate, retain and reward our people across the world that contribute to the Group's success.

As the business and local communities recovered from the effects of COVID-19 during the year, the Committee considered the reimplementation of incentive arrangements in light of the Group's performance and the wider economic environment to ensure that 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 54. 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.

"I am pleased to present this Remuneration Committee Report for the period ended 31 August 2022."

Executive Directors' service contracts and Non-Executive Directors' letters of appointment

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. The Non-Executive Directors have annual 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.

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 2022.

	2022				2021				
	Basic salary/fee £	**Pension £**	**Options exercised £**	**Total £**	Basic salary/fee £	Salary sacrificed £	Pension £	Options exercised £	Total £
Executive									
Alex Cheatle	**299,000**	**9,000**	**84,000**	**392,000**	174,400	124,600	5,000	—	304,000
Andrew Long*	**282,000**	**—**	**82,000**	**364,000**	159,000	110,000	—	—	269,000
Sarah Hornbuckle	**95,000**	**3,000**	**17,000**	**115,000**	65,000	27,500	2,000	—	94,500
Alan Donald	**194,000**	**—**	**25,000**	**219,000**	145,500	48,500	—	—	194,000
Non-Executive									
Bruce Weatherill	**55,000**	**—**	**—**	**55,000**	50,800	4,200	—	—	55,000
Jules Pancholi	**41,000**	**—**	**—**	**41,000**	36,800	4,200	—	—	41,000
Gillian Davies	**41,000**	**—**	**—**	**41,000**	36,800	4,200	—	—	41,000
	1,007,000	**12,000**	**208,000**	**1,227,000**	668,300	323,200	7,000	—	998,500

* Andrew Long's gross basic salary is based on an annual sum of £290k but paid in SGD at a rate agreed at the beginning of each financial year.

The Group has not awarded remuneration to the Directors based on share price appreciation or depreciation. The Executive Directors' remuneration for 2023 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	9,000	308,000
Andrew Long	290,000	—	290,000
Sarah Hornbuckle	95,000	3,000	98,000
Alan Donald	194,000	—	194,000

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 ratchetted 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

Remuneration Committee Report continued

Management Incentive Plan continued

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.

Five MIP awards have been made since IPO:

Annual MIP award	**2022**	2021	2020	2019	2018
Date of award	**10 Aug 2022***	21 Dec 2020	06 Jan 2020	24 June 2019**	07 Dec 2017
Vesting period	**10 Aug 2022– 07 Dec 2023**	21 Dec 2020– 07 Dec 2023	06 Jan 2020– 07 Dec 2022	24 June 2019– 07 Dec 2021	07 Dec 2017– 07 Dec 2020
Performance period	**3 years from 2 Nov 2021**	3 years from 24 Nov 2020	3 years from 26 Nov 2019	3 years from 28 Nov 2018	3 years from 27 Nov 2017
Baseline TSR (£)	**1.08**	0.91	1.27	0.69***	1.34
% of award vesting	**—**	—	—	100%	0%

* The award was delayed due to closed periods.

** 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 ability in the APAC region.

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.

Salary Sacrifice Scheme

As part of the Group's cost saving initiatives in response to COVID-19, the Group established a four-round, twelve-month voluntary Salary Sacrifice Scheme (SSS) in March 2020, whereby employees and contractors can opt to forgo a percentage of their salary in return for options over ordinary shares. The scheme generated a total cost saving of £2.2m and the exercise of these options to date has generated cash receipts of £1.2m.

The options are only exercisable when the share price is at or above the relevant exercise price. On exercise of the options and subsequent sale of the shares, the option holder receives the difference between the Exercise price and sale share price, less relevant taxes and other deductions. The exercise price and number of options granted for each round 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.

Salary Sacrifice Scheme continued

The options were originally exercisable for or up to two or three years from the date of grant. Due to the prolonged impact of COVID-19 on business trading and the effects of macroeconomic factors on global markets, the exercise period of remaining options has been extended to four years from the respective date of grant. The Committee believes this will enhance employee engagement and alignment with our shareholders' interests. All other terms of the options remain the same.

	2021		2020	
Salary Sacrifice Scheme round	Third	Fourth	First	Second
Extended exercise period	24 Nov 2020–24 Nov 2024	24 March 2021–24 March 2025	27 March 2020–27 March 2024	09 July 2020–09 July 2024
Exercise price (£)	1.0	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	2,114,881	1,785,131	4,062,336	1,332,495
Total number of options outstanding	1,447,099	1,242,110	2,090,480	1,781,745

* 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 remains 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 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.

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 2022.

	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	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
	MIP	01/08/2022	200,000	£0.001	07/12/2017–07/12/2018
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	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
	MIP	01/08/2022	100,000	£0.001	07/12/2017–07/12/2018

* 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.

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
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	10,008	£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
	MIP	01/08/2022	40,000	£0.001	07/12/2017–07/12/2018
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	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
	MIP	01/08/2022	80,000	£0.001	07/12/2017–07/12/2018

* 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 2022 had interests in the shares of the Company as shown below:

Ordinary shares of 0.01p	**31 August 2022**	**% shareholding**	31 August 2021	% shareholding
Executive				
Alex Cheatle	**11,185,808**	**13.36**	11,164,669	13.84
Andrew Long	**4,000,000**	**4.78**	4,000,000	4.96
Alan Donald	**125,009**	**0.15**	100,040	0.12
Sarah Hornbuckle	**714,983**	**0.85**	714,983	0.89
Non-Executive				
Bruce Weatherill	**1,000,000**	**1.19**	800,000	0.99
Jules Pancholi	**428,664**	**0.51**	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
22 November 2022

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 2022.

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 twice 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 twice 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. The Committee did not recommend any changes to the composition of the Board during the year but continues to keep this under review.

Bruce Weatherill
Chairman of the Nomination Committee
22 November 2022

Directors' Report

The Directors present their annual report and financial statements for the year ended 31 August 2022.

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 30.

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 corporate clients 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 2022, a provision of £0.3m (2021: £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 member-facing 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 16).

Substantial shareholders

As at 31 August 2022, 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	11,185,808	13.36
Canaccord Genuity Wealth Management	11,099,831	13.25
Lombard Odier Investment Managers	8,048,841	9.61
Soros Fund Management	4,792,785	5.72
Andrew Long	4,000,000	4.78
Baillie Gifford	3,422,954	4.09

Purchase of own shares

During the period, the Company made no purchase of own shares (2021: £nil). The Employee Benefit Trust made distributions of £508k (2021: £nil). The Employee Benefit Trust holds 400,000 options with an exercise price of £0.7, the options are to be exercised within a five year period ending 27 March 2025.

Corporate governance

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

Dividends

No ordinary dividends were paid (2021: £nil). The Directors do not recommend payment of a final dividend.

Share option schemes

Details of employee share schemes are set out in note 28 to the financial statements.

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 UK adopted international accounting standards. 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 adopted international accounting standards, 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.

Post Year End events

Since the end of the year, the Group has:

- increased the size of a programme in Latin America from the equivalent of a Medium contract to the equivalent of a Large contract due to member engagement exceeding expectations, leading to an additional commitment from the corporate client to expand the programme
- raised a further £385k of loans with interest payable quarterly in arrears in cash at 8% per annum during the term of the loan, a 1% administration fee payable in cash at drawdown, repayable on the 25 August 2025
- extended the exercise periods of remaining options granted under the Salary Sacrifice Scheme established as a cost saving initiative in response to COVID-19 from two or three years to four years from the respective date of grant

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.

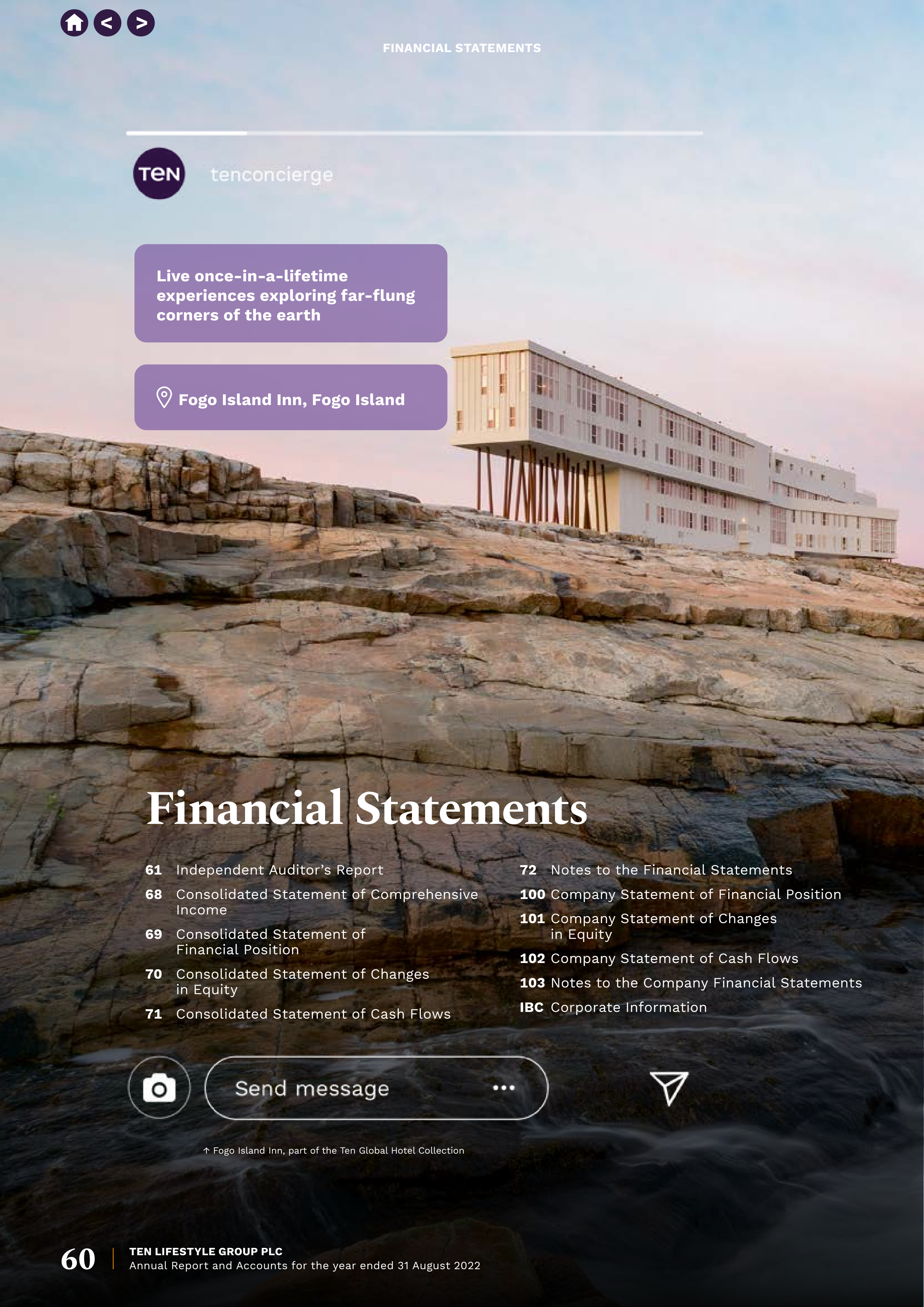
Auditor

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 22 November 2022.

Alan Donald
Chief Financial Officer
22 November 2022



tenconcierge

Live once-in-a-lifetime experiences exploring far-flung corners of the earth

Fogo Island Inn, Fogo Island

Financial Statements

Send message

↑ Fogo Island Inn, part of the Ten Global Hotel Collection

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 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards 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 2022 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 UK adopted international accounting standards 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.

Given our assessment of risk and the significance of this area, we have determined going concern to be a key area of focus for the audit. Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting and response to the key audit matter is included in the "Key Audit Matters" section below.

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 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.

Overview

Coverage[1]	86% (2021: 91%) of Group Net revenue 85% (2021: 89%) of Group total assets		
Key audit matters		2022	2021
	Revenue Recognition	✓	✓
	Intangible Assets: Development costs and amortisation	✓	✓
	Going Concern	✓	✓
Materiality	Group financial statements as a whole £460k (2021: £355k) based on 1% (2020: 1%) of Group Net revenue		

1 These are areas which have been subject to a full scope audit by the group engagement team.

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 sixteen trading entities and three 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.

To gain sufficient coverage over the cost base we further scoped in three non-significant entities over which limited and specific audit procedures were performed. The entities subject to these procedures were, Ten Lifestyle Management USA Inc., Ten Group Japan K.K., and Ten Lifestyle Management Africa (Pty) Ltd.

Desktop reviews were performed on the remaining non significant group entities.

All work has been performed by the Group engagement team.

Independent Auditor's Report continued

to the members of Ten Lifestyle Group Plc

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.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue Recognition		
See accounting policy in Note 1.5 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, indirect concierge service revenue generated through fulfilling transactions and services on members' behalf. And access to the Ten Digital platform ('TenMaid') alongside other ancillary services. We considered there to be a significant audit risk arising from recognition of revenue in the following areas: ▪ The risk of fraud in revenue due to inappropriate or fictitious journals being posted to revenue to inflate results. ▪ There is also a risk that ancillary revenue streams have not been recognised appropriately in line with their respective performance obligations and revenue recognition accounting policy. ▪ There are significant judgements to be made by management regarding identifying the timing of the delivery of performance obligations, and whether these should be deferred over the life of a contract or whether they are "standalone", and distinct from the main services provided under the contract in accordance with IFRS 15.	With regards to the risk of material misstatement related to the recognition of revenue we performed the following procedures: ▪ As part of our Journals entry testing, we identified non standard revenue journals and where material in aggregation these were tested to supporting information. ▪ For ancillary revenue we selected a sample of revenue transactions agreed to supporting documentation, checking that revenue has been appropriately recognised based on the satisfaction of the relevant performance obligations. ▪ 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). 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.

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Intangible Assets: Development costs and amortisation		
Details of the Group's accounting policies applied and related disclosures are given in notes 1.6 and 16 to the financial statements.	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, and their amortisation period.	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. Key observations: Based on the procedures performed, we consider the assumptions and judgements made in the capitalisation of development costs, determination of amortisation period to be appropriate.

Independent Auditor's Report continued

to the members of Ten Lifestyle Group Plc

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Going concern		
Refer to note 1.4 to the financial statement.	The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the financial statements of the Group and Parent Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risk might affect the Group's and Company's financial resources or ability to continue operations over a period of at least twelve months from the date of approval of the accounts. The risks most likely to adversely affect the Group's and Company's available financial resources and have an impact over its ability to meet its obligations over this period were: Impact of the current economy reality of uncertainty and rising inflation resulting in failure of existing customers to successfully renew contract in the forecast period together with high operational cost. Because of the significance of the judgements in this area we considered going concern to be a key audit matter.	We performed the following procedures: ▪ Reviewed management's assessment of going concern through analysis of the group's cash flow forecast for at least 12 months from the date of signing the annual report and accounts. ▪ We assessed the monthly cash flow forecast, with consideration of cash inflows, based on agreed customer contracts, and outflows based on contractual commitments for areas such as loan balances and payroll costs. ▪ We assessed the cash flows sensitisation analysis for (1) Reduction in sales versus budget and (2) Cost containment positions that can be diminished versus budget (e.g. reduce costs or removal of any discretionary items like bonuses) in line with the current uncertain market conditions as well considering the impact on results from the pandemic in previous years. ▪ We assessed and challenged the reasonableness of the key assumptions, such as margins used and cost inflation by management in preparing the forecasts and the mathematical accuracy of the forecasts looking at historical rates and detailed costs breakdowns. ▪ We reviewed post-balance sheet events, specifically the cash flow position against budgeted performance to identify any unusual cash movements or indicator of forecasts not being realistic. ▪ We reviewed the going concern disclosure in the basis of preparation of the accounts to check it gives a full and accurate description of the Directors assessment of going concern including the identified risks and corresponding assumptions. Key observations: Based on the procedures performed we consider the assessment made by management 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.

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 standalone financial statements	
	2022 £	2021 £	2022 £	2021 £
Materiality	460,000	355,000	874,000	266,000
Basis for determining materiality	1% of Net Revenue		2% of Net asset	
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.		As a holding company which principally holds the investments in the group a net asset benchmark was considered appropriate.	
Performance materiality	322,000	230,000	611,800	172,000
Basis for determining performance materiality	Performance materiality was set at 70% (2021: 65%) due to the expected reduced 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 70% (2021: 65%). The increase given the number of areas subject to likelihood of error was considered to have decreased in the period.	

Component materiality

For Group reporting purposes, we set materiality for each component of the Group, including the Parent Company, based on a percentage of between 4% and 75% (2021: 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 £84,000 to £345,000 (2021: £14,000 to £266,000). In the audit of each component, we further applied performance materiality levels of 70% (2021: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated. Where balances were noted within the Parent Company relevant to the Group consolidated results our work was performed based on materiality capped at 75% of the Group materiality.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £23,000 (2021: £17,000). 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.

Independent Auditor's Report continued

to the members of Ten Lifestyle Group Plc

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.

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 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 Parent 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

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

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

- With regards to the fraud risk in management override of controls, our procedures included journal transaction testing, with a focus on 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.

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.

Matthew Haverson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
22 November 2022

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 2022

	Notes	2022 £'000	2021 £'000
Revenue	4	**48,651**	35,059
Cost of sales on principal member transactions		**(1,839)**	(394)
Net Revenue	4	**46,812**	34,665
Other cost of sales		**(1,428)**	(797)
Gross profit		**45,384**	33,868
Administrative expenses		**(49,519)**	(40,232)
Other income		**386**	1,380
Operating profit before amortisation, depreciation, interest, share-based payments, exceptional items and taxation ("Adjusted EBITDA")		**4,878**	4,431
Depreciation	17, 18	**(2,713)**	(3,186)
Amortisation	16	**(4,608)**	(3,957)
Share-based payment expense	28	**(537)**	(1,627)
Exceptional items	5	**(769)**	(645)
Operating loss	6	**(3,749)**	(4,984)
Finance income	13	**1**	1
Finance expense	13	**(102)**	(554)
Loss before taxation		**(3,850)**	(5,537)
Tax expense	14	**(466)**	(237)
Loss for the year		**(4,316)**	(5,774)
Other comprehensive expense:			
Foreign currency translation differences		**(137)**	(5)
Total comprehensive loss for the year		**(4,453)**	(5,779)
Basic and diluted loss per ordinary share	15	**(5.2)p**	(7.2)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 2022

Company No: 08259177

	Notes	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	16	**13,397**	11,555
Property, plant and equipment	17	**939**	561
Right-of-use assets	18	**2,274**	2,601
Total non-current assets		**16,610**	14,717
Current assets			
Inventories		**118**	98
Trade and other receivables	20	**9,930**	5,707
Cash and cash equivalents	22	**6,584**	6,662
Total current assets		**16,632**	12,467
Total assets		**32,242**	27,184
Current liabilities			
Trade and other payables	23	**(16,459)**	(11,487)
Provisions	24	**(846)**	(568)
Borrowings	25	**(1,500)**	—
Lease liabilities	26	**(1,834)**	(1,504)
Total current liabilities		**(20,639)**	(13,559)
Net current liabilities		**(4,007)**	(1,092)
Non-current liabilities			
Borrowings	25	**(1,940)**	—
Lease liabilities	26	**(820)**	(1,678)
Total non-current liabilities		**(2,760)**	(1,678)
Total liabilities		**(23,399)**	(15,237)
Net assets		**9,843**	11,947
Equity			
Called up share capital	27	**84**	82
Share premium account		**30,658**	29,356
Merger relief reserve		**1,993**	1,993
Treasury reserve		**513**	5
Foreign exchange reserve		**(547)**	(410)
Retained deficit		**(22,858)**	(19,079)
Total equity		**9,843**	11,947

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2022 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 2022

	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 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)
Issue of new share capital		1	876	—	—	—	—	877
Shares purchased by Employee Benefit Trust (EBT)		—	—	—	—	(10)	—	(10)
Equity-settled share-based payments charge	28	—	—	—	—	—	1,626	1,626
Balance at 31 August 2021		82	29,356	1,993	(410)	5	(19,079)	11,947
Loss for the year		—	—	—	—	—	(4,316)	(4,316)
Foreign exchange		—	—	—	(137)	—	—	(137)
Total comprehensive loss for the year		**—**	**—**	**—**	**(137)**	**—**	**(4,316)**	**(4,453)**
Shares sold by Employee Benefit Trust (EBT)		—	—	—	—	508	—	508
Equity-settled share-based payments charge	28	—	—	—	—	—	537	537
Issue of new share capital		2	1,302	—	—	—	—	1,304
Balance at 31 August 2022		**84**	**30,658**	**1,993**	**(547)**	**513**	**(22,858)**	**9,843**

Consolidated Statement of Cash Flows

for the year ended 31 August 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Loss for the year, after tax		**(4,316)**	(5,774)
Adjustments for:			
Taxation expense	14	**466**	237
Net finance expense	13	**101**	546
Amortisation of intangible assets	16	**4,608**	3,957
Depreciation of property, plant and equipment	17	**483**	687
Depreciation of right-of-use asset	18	**2,230**	2,499
Equity-settled share-based payment expense	28	**537**	1,627
Exceptional items	5	**769**	445
Forgiven US PPP loan		**—**	(1,000)
Movement in working capital:			
(Increase) in inventories		**(18)**	(32)
(Increase)/Decrease in trade and other receivables		**(2,012)**	1,234
Decrease/(Increase) in trade and other payables		**2,020**	(429)
Cash generated from operations		**4,868**	3,997
Tax paid		**(623)**	(470)
Net cash from operating activities		**4,245**	3,527
Cash flows from investing activities			
Purchase of intangible assets	16	**(6,452)**	(5,393)
Purchase of property, plant and equipment	17	**(866)**	(177)
Finance income	13	**1**	1
Net cash used by investing activities		**(7,317)**	(5,569)
Cash flows from financing activities			
Lease liability repayments	26	**(2,427)**	(2,599)
Sale of treasury shares		**508**	10
Loan receipts	25	**3,440**	—
Interest paid		**(73)**	(15)
Interest paid on IFRS 16 lease liabilities	26	**(185)**	(284)
Cash receipts from issue of share capital		**1,302**	876
Net cash generated/(used in) financing activities		**2,565**	(2,012)
Foreign currency cash and cash equivalents movements		**429**	(241)
Net decrease in cash and cash equivalents		**(78)**	(4,295)
Cash and cash equivalents at beginning of period		**6,662**	10,957
Cash and cash equivalents at end of period			
Cash at bank and in hand		**6,584**	6,662
Cash and cash equivalents		**6,584**	6,662

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 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 UK adopted international accounting standards 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.

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 Directors have adopted the going concern basis in preparing the consolidated financial statements after assessing the Group's principal risks as set out in the Risk Management Report.

1. Accounting policies continued

1.4 Going concern continued

The Directors have reviewed the cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance for the principal risks, show that the Group expects to be able to operate as a going concern within the level of its current cash resources.

The ability of the Group 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 macro-economic environment continues to create uncertainty, particularly over inflationary pressures on costs and the risk to variable cash flows from plausible downside scenarios. The Group is also reliant on the renewal of contracts with corporate clients to meet its working capital requirements.

Multiple sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios associated to the principal risks identified. The Directors have considered severe but plausible scenarios reflecting a potential reduction in variable revenue of between 20 and 90% as well as the potential failure to successfully renew contracts in the forecast periods. In response, the Directors have identified cost savings available to the Group should these scenarios arise such that the reduction in revenues would be offset by necessary costs savings. Having assessed these scenarios, the Group would be able to continue to operate with its existing working capital facilities.

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 member. 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 corporate client 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 (corporate revenue) 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 therefore based on the expected entitlement (most likely method) earned up to the statement of financial position date under each corporate client agreement.

On implementing a corporate client 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 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 member's booking and does not control the components before they are transferred to the member. 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 supplier partners. Commission is recognised when the performance obligation of arranging and facilitating the member to enter into individual contracts with supplier partners 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 member's 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 period to which the fees or offer relate. Where invoiced in advance, the fees and offer income are deferred and released over the period 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 corporate clients 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 corporate client 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.

1.6 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.

1. Accounting policies continued

1.6 Intangible assets continued

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 years straight line
Capitalised development costs	5 years straight line
Website	3 years 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.

Included within administrative expenses is the amortisation charge in the consolidated statement of comprehensive income. The Group reviews the amortisation year and methodology when events and circumstances indicate that the useful lives may have changed since the last reporting date.

1.7 Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of property, plant and equipment. Property, plant and equipment are depreciated from the date they are available for use. The estimated useful lives are as follows:

Leasehold improvements	Over the term of the lease
Fixtures and fittings	5 years straight line
Office equipment	3 to 5 years 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).

1.10 Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They Group's loans and receivables comprises cash and cash equivalent equivalents, trade and other receivables and accrued income. They are held to collect the contractual cash flows arising from them, which are made up solely of payments of the principal and interest.

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. 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.

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. The Group 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. Impairment for trade receivables is measured under the simplified approach with an expected credit loss percentage applied to each ageing category.

The Group holds no other forms of financial assets. 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.

Notes to the Financial Statements continued

1. Accounting policies continued

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

1.12 Cash and cash equivalents
Cash and cash equivalents comprise bank balances, cash balances on hand, and cash in transit, providing there is no risk of cash return.

1.13 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.

1.14 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.

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.

1.15 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.

1.16 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.

1.17 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. Accounting policies continued

1.18 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.

In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiaries, 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.

1.19 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 the 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.

1.20 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.

1.21 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.

1.22 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 (US PPP') loan received under the U.S. CARES Act was initially recognised as a loan 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 US PPP. At that point, the monies were released to the income statement as an income-related grant and presented as other income.

Notes to the Financial Statements continued

1. Accounting policies continued

1.23 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.

The Group has not elected to take the practical expedient associated to the amendment to IFRS 16 (COVID-19-Related Rent Concessions).

2. Adoption of new and revised standards

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.

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 believe there are three 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 asset 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 transition to IFRS 16 has had, determination of the discount rate is considered to be a significant estimate.

The discount rate applied ranged between 5% and 15.9%. 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 2022: £6.3m (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.

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. Management have performed a sensitivity analysis of the impact of changes in the judgement associated to the useful economic life of TenMAID, the Ten Digital Platform and servicing infrastructure. A reduction in the useful economic life of one year would result in an increase in the amortisation expense for the period of £2,262k, while a decrease of the same amount would reduce the amortisation expense by £2,104k.

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.

Notes to the Financial Statements continued

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.

	2022 £'000	2021 £'000
EMEA	21,888	18,120
Americas	16,534	9,875
APAC	8,390	6,670
Net Revenue	46,812	34,665
Add back: cost of sales on principal transactions	1,839	394
Revenue	48,651	35,059
EMEA	5,448	6,157
Americas	(700)	(2,192)
APAC	130	466
Adjusted EBITDA	4,878	4,431
Amortisation	(4,608)	(3,957)
Depreciation	(2,713)	(3,186)
Share-based payment expense	(537)	(1,627)
Exceptional items	(769)	(645)
Operating loss	(3,749)	(4,984)
Foreign exchange gain/(loss)	157	(246)
Other net finance expense	(258)	(307)
Loss before taxation	(3,850)	(5,537)
Taxation expense	(466)	(237)
Loss for the year	(4,316)	(5,774)

Statutory revenue for the Americas and APAC segments is the same as the Net Revenue amounts disclosed above. Statutory revenue for the EMEA segment was £21,888k (2021: £18,120k).

4. Segment reporting continued

The Group's statutory revenue from external corporate clients 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 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:

	2022 £'000	2021 £'000
Direct concierge service revenue	**38,030**	29,425
Offers and benefits revenue	**1,129**	1,143
Indirect concierge service revenue	**7,516**	3,314
Digital platform fees	**1,976**	1,177
Total revenue	**48,651**	35,059

	2022 £'000	2021 £'000
Corporate revenue	**41,116**	31,905
Supplier revenue	**7,535**	3,154
Total revenue	**48,651**	35,059
Supplier revenue (cost of sales on principal member transactions)	**(1,839)**	(394)
Net Revenue	**46,812**	34,665

	2022 £'000	2021 £'000
Revenue from services as principal	**46,570**	34,453
Revenue from services as agent	**2,081**	606
	48,651	35,059

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 Company specific measure excluding interest, taxation, amortisation, depreciation, share-based payment and exceptional costs. Adjusted EBITDA is the main measure of performance used by the Board, who are considered to be the chief operating decision makers. 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 corporate clients generated more than 10% of total revenue each during the year ended 31 August 2022. The total combined revenue of these corporate clients was £9.5m (2021: £9.7m) and was mainly included in the EMEA and Americas segments.

Notes to the Financial Statements continued

5. Exceptional items

	2022 £'000	2021 £'000
Impairment of intangible asset	—	445
Loss on disposal of subsidiary and restructuring	519	—
Provision for overseas tax authority costs	250	—
Other exceptional costs	—	200
	769	645

On 10 June 2022 the Group disposed of the Russian subsidiary Ten Group (RUS) LLC, incurring closure costs associated to the disposal of £519k. The disposal was completed through a sale of 100% of the shares in the subsidiary for consideration of £nil.

During the year, the Group recognised a provision of £250k related to an ongoing review of overseas sales taxes and penalties.

6. Operating loss

Operating loss for the year is stated after charging/(crediting):

	2022 £'000	2021 £'000
Research and development costs not capitalised	542	690
Depreciation of property, plant and equipment	483	687
Depreciation of right-of-use asset	2,230	2,499
Amortisation of intangible assets	4,608	3,957
Expected credit loss expense	336	221
Government assistance	(210)	(2,979)
Exceptional items	769	645

7. Auditor's remuneration

	2022 £'000	2021 £'000
For audit services		
Audit of the financial statements of the Company	**141**	96
Audit of the financial statements of the Company's subsidiaries	**8**	13
	149	109
For other services		
Tax services for the Company	**—**	5
Tax services for the Company's subsidiaries	**18**	18
Other services	**8**	14
	26	37

8. Employees

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

	2022 Number	2021 Number
UK	**196**	190
International	**905**	634
	1,101	824

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	**29,739**	20,918
Social security costs	**3,281**	2,736
Pension costs	**959**	657
Share-based payments (note 27)	**537**	1,626
	34,516	25,937

Notes to the Financial Statements continued

9. Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	**1,007**	992
Pension contributions to defined contribution schemes	**12**	7
Share-based payments – gain on the exercise of share options during year	**208**	—
	1,227	999

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:

	2022 £'000	2021 £'000
Remuneration for qualifying services	**308**	304
Share-based payments – expense	**120**	250
Share-based payments – gain on the exercise of share options during year	**84**	—
	512	554

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2021: two).

10. Key management personnel

	2022 £'000	2021 £'000
Short-term employee benefits	**1,544**	1,324
Post-employment benefits	**18**	16
Share-based payments – gain on the exercise of share options during year	**293**	126
	1,855	1,466

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.

11. Related party transactions

In March 2022 Ten Lifestyle Management Limited borrowed £1.5m from Mrs S Weatherill, wife of the Chairman. Interest is payable monthly in arrears in cash at 8% per annum during the term of the loan, a 1% administration fee payable in cash is payable at drawdown, a 15-month term repayable on 27 June 2023 and no early repayment penalty.

In August 2022 Ten Lifestyle Management Limited as part of a wider fund raising borrowed £275k of loans from other members of the Chairman's family, who do not fall under the definition of related parties. Please refer to Note 25 for terms of the loan.

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

12. Controlling party

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

13. Net finance expense

	2022 £'000	2021 £'00
(Gain)/loss on foreign exchange	**(157)**	246
Interest on bank overdrafts and loans	**1**	15
IFRS 16 interest charge	**185**	284
Loan interest	**73**	9
Investment income	**(1)**	(1)
Total finance expense	**101**	553

14. Income tax expense

	2022 £'000	2021 £'000
Current tax		
Foreign taxes related to current year	**466**	237
Total tax expense	**466**	237

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

	2022 £'000	2021 £'000
Loss before taxation	**(3,851)**	(5,537)
Expected tax charge based on a corporation tax rate of 19% (2021: 19%)	**(732)**	(1,052)
Income not taxable for tax purposes	**—**	(377)
Effect of expenses not deductible in determining taxable profit	**3**	—
Effect of taxes related to previous years	**—**	—
Movement in deferred tax not recognised	**975**	987
Overseas tax rate differences	**220**	679
Taxation expense for the year	**466**	237

The Group has unrecognised losses carried forward at 31 August 2022 of £31.6m (2021: £27.3m) and timing differences on intangible of £6.7m (2021: £5m). As a result, the net deferred tax totals £6.2m (2021: £4.2m).

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

15. Loss per share

	2022 £'000	2021 £'000
Loss attributable to equity shareholders of the parent	**(4,316)**	(5,774)
Weighted average number of ordinary shares in issue (net of treasury)	**83,699,615**	80,632,047
Basic loss per share (pence)	**(5.2)p**	(7.2)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 2021 and 31 August 2022 are calculated on the same basis.

Notes to the Financial Statements continued

16. Intangible assets

	Capitalised development costs £'000	Website £'000	Trademarks £'000	Total £'000
Cost				
At 31 August 2020	30,025	1,909	55	31,989
Additions	5,393	—	—	5,393
Impairment	(445)	—	—	(445)
Reclassification	63	—	—	63
Write-off	—	—	(55)	(55)
At 31 August 2021	35,036	1,909	—	36,945
Additions	6,452	—	—	6,452
Disposal	(4)	—	—	(4)
At 31 August 2022	**41,484**	**1,909**	**—**	**43,393**
Accumulated amortisation				
At 31 August 2020	19,493	1,909	55	21,457
Charge for the year	3,956	—	—	3,956
Reclassification	32	—	—	32
Write-off	—	—	(55)	(55)
At 31 August 2021	23,481	1,909	—	25,390
Charge for the year	4,608	—	—	4,608
Disposal	(2)	—	—	(2)
At 31 August 2022	**28,087**	**1,909**	**—**	**29,996**
Carrying amount				
At 31 August 2021	11,555	—	—	11,555
At 31 August 2022	**13,397**	**—**	**—**	**13,397**

All additions are related to internal and external expenditure. The useful economic lives of the capitalised development platforms and website are assessed to be five years and three years respectively.

17. Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost				
At 31 August 2020	579	581	5,709	6,869
Additions	30	—	147	177
Disposals	(526)	(189)	(3,068)	(3,783)
Reclassification	—	—	(63)	(63)
At 31 August 2021	83	392	2,725	3,200
Additions	—	14	852	866
Disposals	—	(2)	(24)	(26)
Reclassification	—	(12)	12	—
At 31 August 2022	**83**	**392**	**3,565**	**4,040**
Accumulated depreciation				
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	—	—	(32)	(32)
At 31 August 2021	43	295	2,301	2,639
Charge for the year	28	49	406	483
Disposals	—	(1)	(20)	(21)
Reclassification	—	(6)	6	—
At 31 August 2022	**71**	**337**	**2,693**	**3,101**
Carrying amount				
At 31 August 2021	40	97	424	561
At 31 August 2022	**12**	**55**	**872**	**939**

Notes to the Financial Statements continued

18. Right-of-use assets

	Land and buildings £'000	Total £'000
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
Additions	1,844	1,844
Termination	(27)	(27)
Lease modifications	4	4
Translation differences	82	82
At 31 August 2022	**10,485**	**10,485**
Accumulated depreciation		
At 31 August 2020	3,482	3,482
Charge for the year	2,499	2,499
At 31 August 2021	5,981	5,981
Charge for the year	2,230	2,230
At 31 August 2022	**8,211**	**8,211**
Carrying amount		
At 31 August 2021	2,601	2,601
At 31 August 2022	**2,274**	**2,274**

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

19. Subsidiaries

Details of the Company's subsidiaries at 31 August 2022 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	Technology and development
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	Dormant
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

19. Subsidiaries continued

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

Name of undertaking	Registered office
Ten Lifestyle Management Limited	Floor 2, Fitzroy House, 355 Euston Road, London NW1 3AL, United Kingdom
Ten Lifestyle Management (Asia) Limited	Unit 20-125 WeWork, City, Plaza Phase 3, Taikoo, Hong Kong
Ten Lifestyle Management USA Inc.	149 New Montgomery Street, 3rd Floor, 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	36 Robinson Road City House #02-127, Singapore 068877
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 Concreta Calz. Gral. Mariano Escobedo 526 Piso 8 Oficina 0811 Anzures, Miguel Hidalgo, Ciudad de México 11590
Ten Lifestyle Management Africa (Pty) Limited	7th Floor, 19 Louis Gradner Street, Foreshore, Cape Town 8001, South Africa
Ten Lifestyle Management India Private Limited	9SE, 9th Floor, The Ruby Tower, 29, Senapati Bapat Marg Dadar (West), Mumbai 400 028, India
Ten Servicos de Concierge do Brasil Limited	Rua Olimpiadas 205 – 4º andar – São Paulo, SP 04551-000, Brazil
Ten Group Belgium BVBA	Brussels Airport Corporate Village, Leonardo Da Vin-cilaan, 91935 Zaventem, Belgium
Ten Group Australia Pty Limited	Level 11, 80 Mount Street, North Sydney, NSW 2060
Ten Lifestyle Management Switzerland GmbH	Red Tower, Floor F0 Limmatstrasse 250, 8005, Zurich, Switzerland
Ten Group Norway AS	c/o Flattum Accounting, St Olavs Gate 25 0166 Oslo, Norway
Ten Lifestyle Argentina (branch)	Corrientes 222, Piso 10 C1043 AAP, Buenos Aires, Argentina
Ten Lifestyle Management Limited (DMCC) (branch)	Reef Tower Units 31-07 & 31-08, PO Box 115,738, Dubai, UAE

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

20. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	**4,665**	1,316
Expected credit loss	**(336)**	(221)
	4,329	1,095
Other receivables	**1,300**	1,050
Prepayments and accrued income	**4,301**	3,562
	9,930	5,707

Movements in Group contract assets and liabilities were as follows:

	2022 £'000	2021 £'000
Accrued income increased	**851**	40

All accrued income recognised at 31 August 2021 was released during the year.

The fair value of trade and other receivables 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.

21. Trade receivables – credit risk

Ageing of due and past due but not impaired debts	2022 £'000	2021 £'000
0–30 days	**3,795**	1,006
30–60 days	**340**	134
60–90 days	**210**	39
90–120 days	**45**	31
120+ days	**275**	106
	4,665	1,316
Expected credit loss	**(336)**	(221)
	4,329	1,095

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	**3,795**	**45**	**1%**
30–60 days	**340**	**47**	**14%**
60–90 days	**210**	**23**	**11%**
90–120 days	**45**	**30**	**67%**
120+ days	**275**	**191**	**69%**
	4,665	**336**	

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

	2022 £'000	2021 £'000
Opening balance at reporting date	**221**	222
Movement in provision	**115**	(1)
Closing balance at reporting date	**336**	221

22. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at banks and on hand – unrestricted	**5,492**	6,185
Cash at banks and on hand – restricted	**521**	477
Cash in transit	**571**	—
Cash and cash equivalents	**6,584**	6,662

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. In excess of cash held in restricted accounts, the Group has guarantees in place with local travel authorities of £193,000.

Notes to the Financial Statements continued

23. Trade and other payables

Group	2022 £'000	2021 £'000
Trade payables	**1,816**	1,250
Accruals and deferred income	**10,801**	7,320
Social security and other taxation	**3,226**	2,099
Other payables	**616**	818
	16,459	11,487

	2022 £'000	2021 £'000
Deferred income increased from	**1,137**	643

All deferred income recognised at 31 August 2021 was released during the year. The fair values of trade and other payables are the same as the carrying values.

24. Provision – overseas tax liabilities

	2022 £'000	2021 £'000
Provision for overseas liabilities	**846**	568
Movements on provisions:		
At beginning of period	**568**	596
Movement in provision	**278**	(28)
At end of period	**846**	568

The liabilities relate to overseas tax liabilities.

25. Borrowings

	2022 £'000	2021 £'000
Current	**1,500**	—
Non-current	**1,940**	—
	3,440	—

Ten Lifestyle Management Limited has entered into loans of £1.9m in addition to the related party loan described in Note 11. The loans are guaranteed by Ten Lifestyle Group. Interest is payable quarterly in arrears in cash at 8% per annum during the term of the loan, a 1% administration fee payable in cash at drawdown. The loans are repayable on the 25 August 2025.

26. Lease liabilities

	2022 £'000	2021 £'000
In one year or less	**2,118**	1,617
Between one and five years	**1,138**	1,756
Total undiscounted lease liabilities	**3,256**	3,373
Lease liabilities included in the statement of financial position		
Current	**1,834**	1,504
Non-current	**820**	1,678
	2,654	3,182
Amounts recognised in the comprehensive income statement		
Lease liability repayments	**2,427**	2,609
Interest expense on lease liabilities	**185**	284

	Land and buildings £'000	Total £'000
At 31 August 2021	**3,182**	3,182
Additions	**1,842**	1,842
Payments	**(2,614)**	(2,614)
Interest	**185**	185
Terminations	**(33)**	(33)
Lease modifications	**4**	4
Translation differences	**88**	88
At 31 August 2022	**2,654**	2,654
Carrying amount		
At 31 August 2021	**3,182**	3,182
At 31 August 2022	**2,654**	2,654

Discount rate

The discount rate used is based on the individual market factors. The average discount rate applied in the Group is 7.7%, which is the Group's incremental borrowing rate.

27. Share capital

	2022 £'000	2021 £'000
83,741,801 (2021: 81,877,635) ordinary shares of £0.001 each	**83,742**	81,878
	83,742	81,878

There were 1,864k shares issued during the financial year ended 31 August 2022. All shares are fully paid.

Own shares held

An Employee Benefit Trust (the "Ten Group Employee Benefit Trust") was established in February 2012. The Trust holds 42,186 of shares (2021: 542,186) and 400,000 share options (2021: nil). These shares held are treated as treasury shares and are included in the treasury reserve in the consolidated statement of financial position.

Notes to the Financial Statements continued

28. Share options

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 options 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 four 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 2022 is 4.7 years.

The total expense recognised for year ended 31 August 2022 arising from equity-settled share-based payment transactions amounted to £0.5m (2021: £1.6m).

	Number	Weighted average exercise price £
Number of options outstanding at 31 August 2020	10,754,373	0.420
Granted in the year – CSOP	1,550,891	0.680
Granted in the year – MIP	655,000	0.001
Granted in the year – SSS	3,900,966	1.038
Exercised in the year – SSS	(542,680)	0.700
Forfeited in the year – CSOP	(121,827)	0.870
Exercised in the year – CSOP	(580,000)	0.750
Cancelled in the year – SSS	(126,376)	0.870
Exercised in the year – EMI	(104,024)	0.510
Lapsed in the year – MIP	(1,076,000)	0.001
Number of options outstanding at 31 August 2021	14,310,323	0.740
Granted in the year – CSOP	678,284	0.790
Granted in the year – MIP	676,000	0.001
Exercised in the year – SSS	(1,665,326)	0.701
Forfeited in the year – CSOP	(143,417)	0.940
Exercised in the year – CSOP	(182,840)	0.740
Exercised in the year – MIP	(16,000)	0.001
Number of options outstanding at 31 August 2022	**13,657,024**	**0.710**

	As at 31 August 2022	As at 31 August 2021	Exercise price £	Remaining contractual life (Years)
EMI				
January 2013 to January 2023	**81,336**	81,336	0.22	0.38
January 2013 to January 2023	**24,672**	24,672	0.54	0.38
January 2013 to January 2023	**9,440**	9,440	0.41	0.38
May 2014 to January 2023	**29,416**	29,416	0.41	0.70
December 2015 to December 2025	**34,968**	34,968	0.56	3.29

28. Share options continued

	As at 31 August 2022	As at 31 August 2021	Exercise price £	Remaining contractual life (Years)
MIP				
December 2017 to December 2027	**124,000**	140,000	0.001	5.29
April 2018 to April 2028	**68,956**	68,956	0.001	5.63
September 2018 to September 2028	**112,360**	112,360	0.001	6.05
November 2018 to November 2028	**344,828**	344,828	0.001	6.21
June 2019 to June 2029	**490,000**	490,000	0.001	6.79
December 2019 to December 2029	**722,000**	722,000	0.001	7.30
December 2020 to December 2030	**655,000**	655,000	0.001	8.30
August 2022 to August 2032	**676,000**	—	0.001	9.96
CSOP				
August 2017 to August 2027	**600,000**	700,000	0.75	4.96
March 2018 to March 2028	**9,375**	9,375	1.60	5.54
May 2018 to May 2028	**22,222**	22,222	1.35	5.71
August 2018 to August 2028	**17,241**	33,725	0.87	5.96
September 2018 to September 2028	**34,483**	34,483	0.87	6.05
November 2018 to November 2028	**—**	46,875	0.69	6.21
December 2018 to December 2028	**42,857**	42,857	0.87	6.30
January 2019 to January 2029	**67,781**	67,781	0.87	6.38
April 2019 to April 2029	**45,802**	45,802	0.66	6.63
June 2019 to June 2029	**134,831**	134,831	0.89	6.79
July 2019 to July 2029	**25,424**	25,424	1.18	6.88
August 2019 to August 2029	**289,916**	340,336	1.19	6.96
September 2019 to September 2029	**18,987**	18,987	0.79	7.05
October 2019 to October 2029	**12,295**	12,295	1.19	7.13
August 2020 to August 2030	**18,987**	18,987	0.79	7.96
September 2020 to September 2030	**1,305,194**	1,402,597	0.77	8.05
March 2021 to March 2031	**14,018**	14,018	1.07	8.54
August 2021 to August 2031	**14,218**	—	1.06	8.96
December 2021 to December 2031	**527,628**	—	0.99	9.30
2 May 2022 to May 2032	**121,363**	—	0.62	9.71
SSS				
March 2020 to March 2024	**1,847,099**	3,504,248	0.70	1.5
July 2020 to July 2024	**1,242,108**	1,242,108	1.20	1.9
November 2020 to November 2024	**2,090,473**	2,098,650	1.00	2.2
March 2021 to March 2025	**1,781,745**	1,781,745	1.10	2.5
	13,657,023	14,310,322		

Notes to the Financial Statements continued

28. Share options continued

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 £0.71.

Management Incentive Plan

Under the MIP, 548,0000 options were issued in the 2022 financial year, on conditional achievement of performance conditions based on total shareholder return (market) and, for some participants, operational targets (non-market). A further 128,000 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 (£0.001).

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; there were no options granted in this financial year. The sacrifices ranged from 5% to 50% of salary over the grants.

Company Share Option Plan

Under the CSOP, 678,284 options were issued to eligible employees in the 2022 financial year. These shares were issued under a conditional three years of 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 31 August 2022 and 31 August 2021 were as follows:

	CSOP	SSS	MIP
Grant month	September 2020	November 2020	December 2020
Weighted average share price	£0.77	£0.95	£0.93
Weighted average exercise price	£0.77	£1.00	£0.001
Expected volatility	50%	51%	61%
Weighted average risk-free rate	0.1%	0.1%	0.1%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	1.5	3
Weighted average fair value at date of grant	£0.33	£0.21	£0.93

	SSS	CSOP	CSOP
Grant month	March 2021	March 2021	December 2021
Weighted average share price	£0.90	£1.07	£0.99
Weighted average exercise price	£1.10	£1.07	£0.99
Expected volatility	52%	50%	48%
Weighted average risk-free rate	0.1%	0.1%	0.1%
Expected dividend yield	—	—	—
Weighted average option life (years)	1.5	5	5
Weighted average fair value at date of grant	£0.14	£0.46	£0.43

		MIP	MIP
Grant month	May 2022	August 2022	August 2022
Weighted average share price	£0.62	£0.56	£0.58
Weighted average exercise price	£0.62	£1.10	£0.001
Expected volatility	52%	52%	45%
Weighted average risk-free rate	1.48%	2.04%	2.04%
Expected dividend yield	—	—	—
Weighted average option life (years)	5	2.5	2.5
Weighted average fair value at date of grant	£0.29	£0.58	£0.08

28. Share options continued

Valuation of share options continued

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.

29. Capital commitments

At 31 August 2022 the Group had no material capital commitments (2021: £nil).

30. 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

	2022 £'000	2021 £'000
Cash at banks and on hand – unrestricted and cash in transit	**6,063**	6,185
Cash at banks and on hand – restricted	**521**	477
Trade and other receivables	**7,949**	4,262

Financial liabilities

	2022 £'000	2021 £'000
Trade and other payables	**2,432**	4,880
Lease liabilities	**2,654**	3,182
Long-term loan	**3,440**	—

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

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, Japanese Yen and Australian Dollars to Sterling and the translation of net assets denominated in Euros, US Dollars, Swiss Francs, Brazilian Real, Japanese Yen and Australian Dollars 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.

	GBP:EUR 1	GBP:USD 1	GBP:CHF 1	GBP:JPY 1	GBP:BRL 1	GBP:AUD 1
Year ended 31 August 2021						
Average rate	1.14	1.36	1.24	145.97	7.30	1.81
Year-end spot rate	1.17	1.38	1.26	151.31	7.12	1.88
Year ended 31 August 2022						
Average rate	**1.18**	**1.30**	**1.22**	**158.09**	**6.82**	**1.81**
Year-end spot rate	**1.16**	**1.17**	**1.14**	**161.82**	**5.99**	**1.70**

Notes to the Financial Statements continued

30. Financial instruments and financial risk management continued

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	
	2022 £'000	2021 £'000
Euro	**26**	58
US Dollar	**(310)**	(436)
Swiss Franc	**(45)**	(187)
Japanese Yen	**(46)**	(143)
Brazilian Real	**—**	(5)
Australian Dollar	**(52)**	—
Other	**(83)**	—
	(510)	(713)

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 corporate client 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.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to corporate client 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. Further loan notes raised in 2022 detailed in note 11 and 25. 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.

30. Financial instruments and financial risk management continued

Liquidity risk continued

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 2021				
Trade and other payables	4,880	—	—	4,880
Lease liabilities	1,617	1,756	—	3,373
At 31 August 2022				
Trade and other payables	**2,432**	**—**	**—**	**2,432**
Long-term loan	**1,500**	**—**	**1,940**	**3,440**
Lease liabilities	**1,834**	**820**	**—**	**2,654**

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.

31. Events after the balance sheet date

Subsequent to the balance sheet date, the Group has raised a further £385k of loans. The loans are guaranteed by Ten Lifestyle Group. Interest is payable quarterly in arrears in cash at 8% per annum during the term of the loan, a 1% administration fee payable in cash at drawdown. The loans are repayable on 25 August 2025.

The Group has extended the expiry dates of the Salary Sacrifice Scheme (SSS) granted between March 2020 and March 2021 from two or three years to four years from the original grant date.

Company Statement of Financial Position

as at 31 August 2022

Company No: 08259177

	Notes	2022 £'000	2021 £'000
Non-current assets			
Investments	32	**48,870**	48,333
Total non-current assets		**48,870**	48,333
Current assets			
Trade and other receivables	33	**3**	6
Cash and cash equivalents	35	**6**	73
Amounts due from Group undertakings	33	**1,203**	292
Total current assets		**1,212**	371
Total assets		**50,082**	48,704
Current liabilities			
Trade and other payables	34	**(114)**	(277)
Total current liabilities		**(114)**	(277)
Net current assets		**1,098**	94
Net assets		**49,968**	48,427
Equity			
Called up share capital	27	**84**	82
Share premium account		**30,658**	29,356
Retained earnings		**19,226**	18,989
Total equity		**49,968**	48,427

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 £300,000 (2021: £440,000 loss).

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2022 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 2022

	Notes	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 September 2020		81	28,480	17,802	46,363
Loss for the period		—	—	(439)	(439)
Total comprehensive loss for the period		—	—	(439)	(439)
Equity-settled share-based payments charge		—	—	1,626	1,626
Issue of new share capital		1	876	—	877
Balance at 31 August 2021		82	29,356	18,989	48,427
Loss for the period		—	—	(300)	(300)
Total comprehensive loss for the period		—	—	(300)	(300)
Equity-settled share-based payments charge	28	—	—	537	537
Issue of new share capital		2	1,302	—	1,304
Balance at 31 August 2022		**84**	**30,658**	**19,226**	**49,968**

Company Statement of Cash Flows

for the year ended 31 August 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Loss for the year after tax		**(300)**	(439)
Movement in working capital:			
Increase in trade and other receivables		**(906)**	(298)
Decrease in trade and other payables		**(163)**	(139)
Net cash used by operating activities		**(1,369)**	(876)
Cash flows from financing activities			
Cash receipts from issue of share capital	28	**1,302**	876
Net cash generated from financing activities		**1,302**	876
Net (decrease)/increase in cash and cash equivalents		**(67)**	—
Cash and cash equivalents at beginning of year		**73**	73
Cash and cash equivalents at end of year		**6**	73

Notes to the Company Financial Statements

32. Investments

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

	2022 £'000	2021 £'000
Investments in subsidiaries	**48,870**	48,333
Cost		
At 31 August 2021	**48,333**	46,706
Additions	**537**	1,627
At 31 August 2022	**48,870**	48,333
Carrying amount		
At 31 August 2021	**48,333**	
At 31 August 2022	**48,870**	

The addition in the year represents capital contributions of £0.5m 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.

This transaction represents 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 (2021: £nil).

33. Trade and other receivables

	2022 £'000	2021 £'000
Trade and other receivables	**3**	6
Amounts due from Group companies	**1,203**	292
	1,206	298

The amounts due from Group companies relate to trading balances. These are interest free, unsecured and repayable on demand.

34. Trade and other creditors

	2022 £'000	2021 £'000
Accruals	**114**	92
Other payables	**—**	185
	114	277

35. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at banks and on hand – unrestricted	**6**	73
Cash and cash equivalents	**6**	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

	2022 £'000	2021 £'000
Cash at bank and in hand – unrestricted	**6**	73
Amounts due from Group undertakings	**1,203**	292
Trade and other receivables	**3**	6

Financial liabilities

	2022 £'000	2021 £'000
Trade and other payables	**114**	277

Corporate Information

Registered office
Floor 2
355 Euston Road
London
NW1 3AL

Company website
www.tenlifestylegroup.com

Company secretary
Keziah Watt

Advisers

Nominated Adviser and Broker
Peel Hunt LLP
Moor House
120 London Wall
London
EC2Y 5ET

Legal Advisers to the Company
Memery Crystal LLP
165 Fleet Street
London
EC4A 2DY

Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Image References

Cover images from top to bottom:

Jumeirah Maldives Olhahali Island, part of our renewed partnership with Jumeirah Hotels & Resorts in 2022

An original image from Ten partner Alain Ducasse at The Dorchester, London

An original image from an exclusive member preview evening of Vision & Virtuosity by Tiffany & Co. exhibition at the Saatchi Gallery

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C014531

WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP015999

Ten Lifestyle Group Plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Symbol Freelife Satin, an FSC® certified material.

This document was printed by L&S using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. Both the printer and the paper mill are registered to ISO 14001.

Produced by
designportfolio

Ten Lifestyle Group Plc

2nd Floor, Fitzroy House
355 Euston Road
London NW1 3AL
United Kingdom

www.tenlifestylegroup.com