# The Future of Service

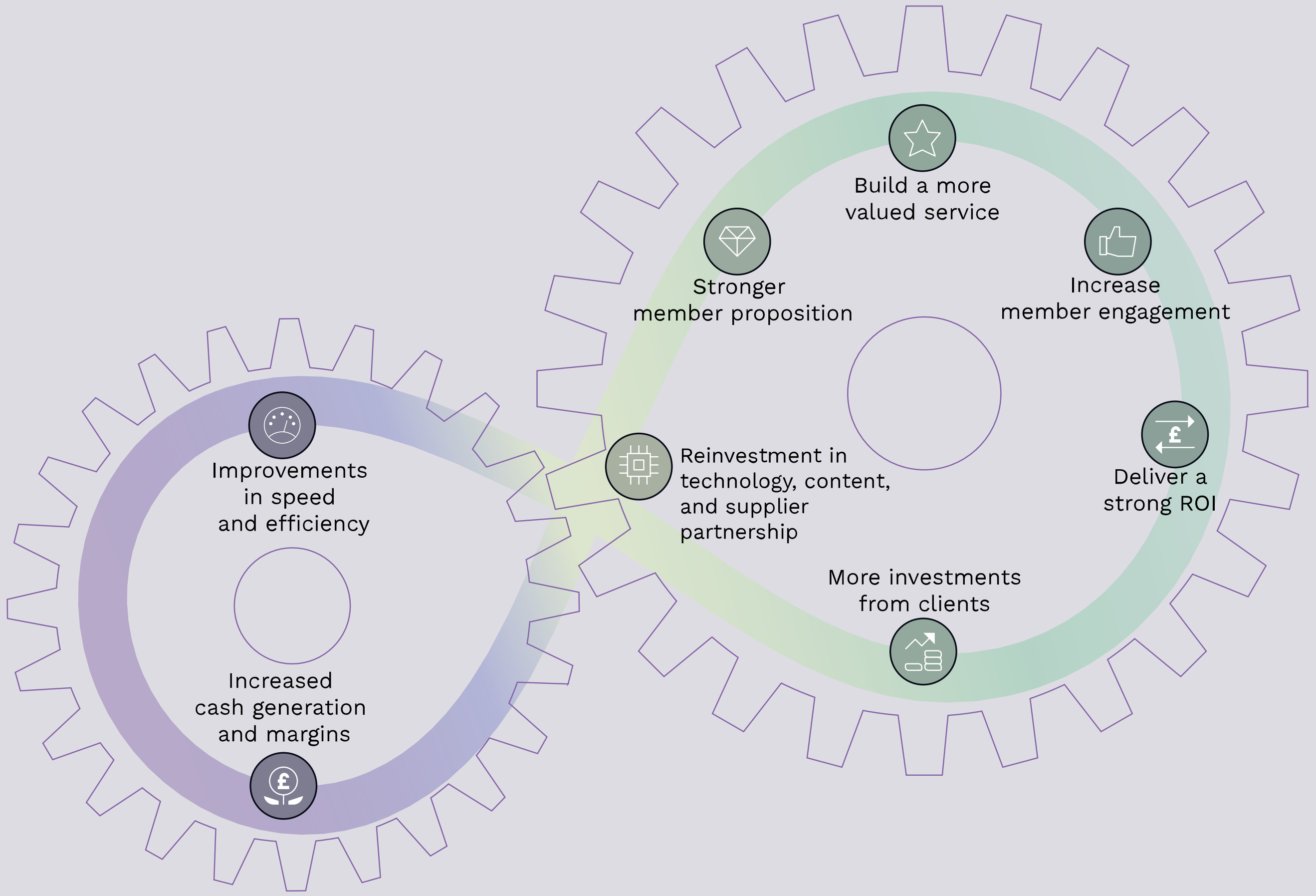
**Ten Lifestyle Group Plc**

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

25 YEARS OF TEN

## Ten's Growth Engine

# Proposition, Profitability and Scale




→ Scan to watch video

→ To read more on our business model and strategy, see pages 12 to 23.

→ Stay up to date on our website, www.tenlifestylegroup.com

Certified B Corporation

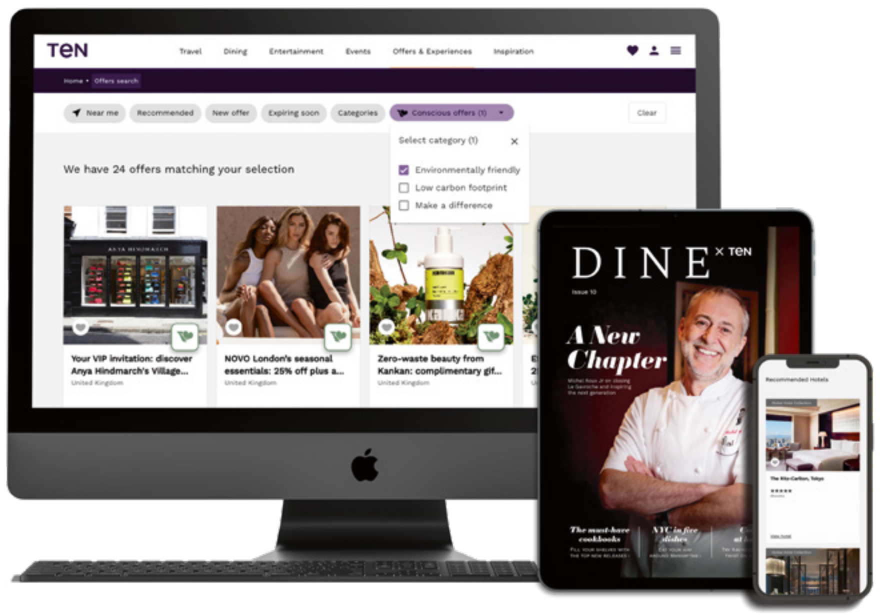


## Our Mission

# 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 over 20 global service centres.




## Contents

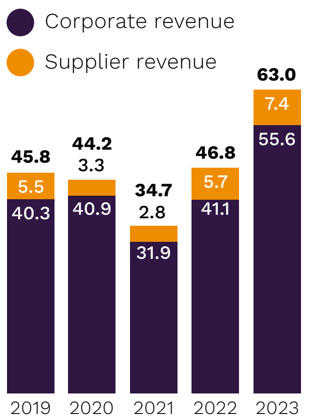
## Highlights

# Financial

- Record Net Revenue[1] up £16.2m (35%) to £63.0m (2022: £46.8m)
  - corporate revenue[2] up £14.5m (35%) to £55.6m (2022: £41.1m)
  - supplier revenue[3] up £1.7m (30%) to £7.4m (2022: £5.7m)
  - increased Net Corporate Revenue Retention Rate[4] of 131% (2022: 120%)
- Step-change in Adjusted EBITDA[5] up £7.1m to £12.0m (2022: £4.9m), a 145% improvement
  - Adjusted EBITDA margin[7] increased by 8.7% to 19.1% (2022: 10.4%)
- Inflection point with profit before tax up £4.7m to £0.9m (2022: loss £3.8m)
- Cash and cash equivalents of £8.2m (2022: £6.6m) and net cash of £3.7m (H1 2023: £0.5m; FY 2022: £3.2m)

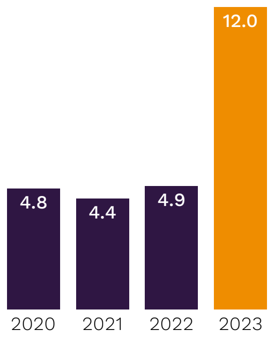
### Net Revenue (£m)

£63.0m



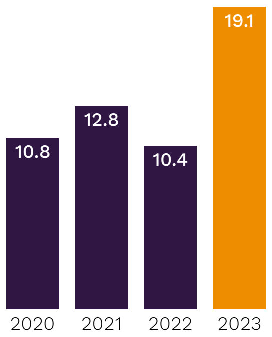

### Adjusted EBITDA[6] (£m)

£12.0m



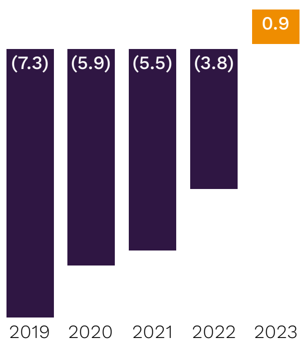

### Adjusted EBITDA Margin (%)

19.1%




### Profit/(Loss) Before Tax (£m)

£0.9m




1 Net Revenue includes 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 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.

5 Adjusted EBITDA is operating profit/(loss) before interest, taxation, amortisation, depreciation, share-based payment expense, and exceptional items. The Group's definition of Adjusted EBITDA has been updated in the current period to include National Insurance on share options.

6 2019 was pre-IFRS 16 and so no comparison to report.

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



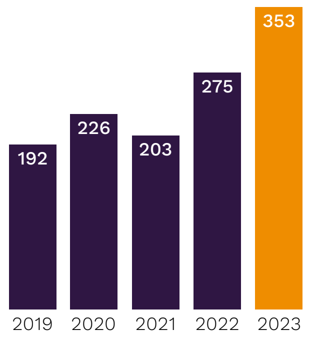


# Operational

- Active Members[8] up 28% to 353k (2022: 275k) driven by strong growth within our existing corporate clients
- Year-on-year improved levels of member satisfaction[9] which drives repeat use and value to our corporate clients
- Retained all Material Contracts[10] for fourth consecutive year
- £13.9m (2022: £13.6m) planned investment 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 (2022: 80%)

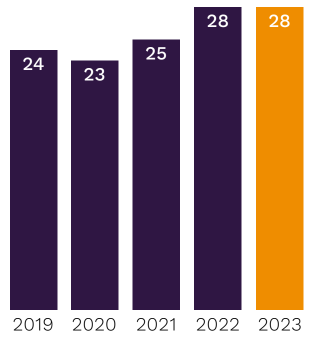
### Active Members ('000)

353k



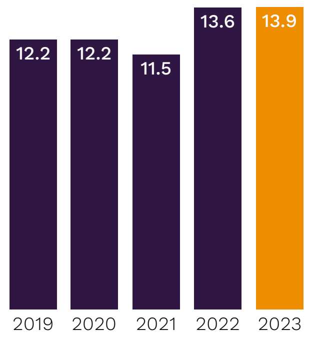

### Material Contracts

28




### Investment in Technology, Content and Communications (£m pa)

£13.9m




8 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".

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).

10 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".

> "I intend to further enhance our focus on product-market fit and ensure we are relentlessly focusing on becoming the most valued service in the world."
>
> **Jules Pancholi**
> Independent Non-Executive Chairman

# Record levels of Net Revenue and profitability, Retaining all our Material Contracts for the fourth consecutive year

## Introduction from Ten's incoming Chairman

As Ten's incoming Chairman, I start by expressing my deep thanks on behalf of the Group to Bruce Weatherill, who stepped down as Chairman due to ill health on 8 November 2023.

Bruce's stewardship and leadership played a pivotal role in Ten's transition to a listed company in 2017, setting the stage for Ten's future growth. Personally, I am grateful for his mentorship and support, facilitating a seamless transition to my Chairmanship. On behalf of the Board, I also extend my thanks to Gillian Davies, Non-Executive Director, who has indicated her intention to step down from the Board at the conclusion of the AGM in February 2024, for her invaluable contributions to the Board and outstanding Chairing of the Audit and Risk Committee.

As part of the Board's orderly succession planning, we welcome Edward Knapp and Carolyn Jameson as Non-Executive Directors, following a robust recruitment process. I am confident that the Board's composition is well equipped to meet the evolving needs of our business as we move into the next stage of development.

I assure shareholders that they should continue to expect the same high levels of corporate governance, strategy, and operational accountability established by Bruce. Under my Chairmanship, I intend to focus on product-market fit to ensure we are relentlessly pursuing our mission to become the most valued service in the world. We will leverage Ten's Growth Engine, detailed on pages 12 and 13, to build business momentum, and adeptly navigate the opportunities in the rapidly evolving technology and customer landscapes.

Successfully securing B Corp certification in the year underscores our strategy to create a unique value proposition aligned to the goals of both corporate clients and members.

I will measure the success of my Chairmanship not only by the performance of the business, but through the improvement of the share price to a level that reflects the true value for our Shareholders that the Board believes Ten delivers. We have a high degree of conviction that we are operating in a large and growing market, and in our strategy to address it. Our focus for the future will be on exceptional operational accountability and execution, demonstrating our value to all stakeholders and thereby enhancing shareholder value and liquidity.

Certified B Corporation





## Overview

Once again, Ten has achieved record levels of Net Revenue, accompanied by a step-change in Adjusted EBITDA profitability and margin. This success was a result of the 'growth engine' at the heart of Ten's business model. Our proposition has improved, leading to increased activation and engagement of more members, supported by our corporate clients. Our investments in technology have also made us more efficient and profitable. Our improved proposition also helped justify improved commercial terms with our corporate clients.

Our overall Net Revenue increased 35% when compared to the prior year to £63.0m (2022: £46.8m), with Adjusted EBITDA increased by £7.1m to £12.0m, a 145% improvement on the prior year (2022: £4.9m) and Adjusted EBITDA margin up 8.7% to 19.1% (2022: 10.4%).

We continued to deliver on our mission to become the world's most trusted service. We strengthened our ability to attract and retain wealthy and mass affluent customers as members on behalf of global financial institutions and other premium brands. Continued investment in our industry-first, proprietary technology, communications and content amounted to £13.9m (2022: £13.6m). This drives growth and sets us apart in the market. Most importantly, it strengthened our proposition to global financial institutions, and other premium brands, by improving their ability to attract and retain wealthy and mass affluent customers as members.

Having achieved scale in many of the world's major economies, through expanding with existing customers and partnering with new ones, we proudly deliver our increasingly sophisticated and personalised platform with thousands of integrated supplier partners from over 20 global service centres. The market potential remains large and addressable. Our Active Member base has grown to over 353k (2022: 275k), with millions more members eligible to access Ten's lifestyle, travel, dining, entertainment, and retail benefits on behalf of over 50 corporate clients.

Retaining all Material Contracts for the fourth consecutive year, an improved Net Corporate Revenue Retention Rate and expanding corporate revenue from existing clients demonstrates the depth and strength of our partnerships with our corporate clients. We believe that our established corporate clients now view Ten as an integral partner for premium product marketing, customer engagement, and insight initiatives. Many are now entrusting us with technology integration, personalisation, and unique content projects that elevate member experiences, drive operational efficiencies, and solidify Ten's position as their trusted concierge technology partner.

Throughout the year, we have expanded existing and forged new strategic corporate client partnerships, with the vast majority of Material Contracts incorporating the Ten Digital Platform into their customer loyalty proposition. Our technology underpins Ten's competitive strategy as the partner of choice to a number of global financial institutions and premium brands seeking to attract and retain affluent customers.

Continued investment in technology, strategic partnerships, and our people has not only fortified our resilience but has also laid the groundwork for sustained growth through improved member and corporate client proposition whilst also achieving further efficiencies.

## Strategy

Our strategy is to provide preferred access to a range of premium services for the customers of our corporate clients, facilitating seamless organisation of their travel, dining, entertainment and other lifestyle needs.

Central to our strategy is the creation of tailored customer loyalty propositions, driving both new and existing corporate clients to invest in Ten's increasingly sophisticated personalisation platform. This investment not only enhances the profitability and loyalty of their most valuable customers but also fuels our continuous advancements in technology, content, and service quality. This, in turn, fortifies our unique member proposition and propels the Growth Engine at the heart of Ten's business model.

The Group thrives on established and new corporate client partnerships, primarily in the financial services sector, with a strong track-record of growing the value of these partnerships over time. We are also working with other premium brands seeking to enhance engagement, retention and acquisition of their high-value customers.

Ten's unique member proposition ensures members access attractive and often premium benefits and experiences not available to the public. Membership leverages combined buying power and operational scale, enabling members to achieve better and more cost-effective outcomes, more conveniently than they could on their own. The member proposition is accessible for online search and booking through Ten's market-leading proprietary lifestyle and travel technology platform – the "Ten Digital Platform" – or via our expert Lifestyle Managers, available by phone, email, live chat and WhatsApp.

Our continued investments in technology comprise our Ten Digital Platform – and in the supportive infrastructure for our team. Backed by 25 years of expertise, our Lifestyle Managers provide members with 24/7 services in over 18 languages, reflecting in our Net Promoter Score (NPS) that indicates positive member impact to us and our corporate clients.

Artificial Intelligence (AI) and Environmental, Social and Governance (ESG) considerations have been pivotal in shaping our decision-making and strategy and will remain so in the future. AI presents significant opportunities for operational efficiency and customer experience, and we have adopted a strategy of rapid experimentation across all areas of the business.

Beyond supporting good governance and global climate change management, ESG offers a substantial opportunity to enhance our differentiation and value proposition to both our members and our corporate clients.

The ESG Working Group, established in 2021, will remain under my Chairmanship, focusing on assessing material ESG risks and opportunities stemming from our business. Its ongoing efforts aim to deliver on our strategy by developing internal reporting and transparency, instigating behavioural change within the business, and ensuring that we offer our members ESG-friendly choices in their interactions with us.

The Board's commitment to ESG is exemplified by our successful B Corp certification this year, following strong shareholder support for the amendment to our Articles of Association in July 2022. We are dedicated to maintaining our B Corp certification, ensuring it continues to deliver significant positive effects for the Group and all stakeholders.

> "Ten is the partner of choice to a number of global financial institutions and premium brands"

### RESULTS

Net Revenue grew by 35% to £63.0m (2022: £46.8m), surpassing pre-COVID-19 levels (2019: £45.8m). This growth was fuelled, in part, by the increased budgets of our corporate clients leveraging Ten's platform to enhance their own customer metrics, a clear demonstration of client-product-market fit and shared goal alignment. Additionally, there was heightened demand for technical platform integration services and member marketing services. Successful contract repricing, both in the year and in previous years, also contributed to performance.

Delivering Adjusted EBITDA profitability and maintaining a net cash position, whilst maintaining investments in technology, are key performance indicators of the Group's strategic Growth Engine. Notably, the Group secured contract developments during the year, including launching a new programme in the Americas that has grown to the equivalent of a Medium contract, expanding a programme in Latin America to the equivalent of a Large contract and winning a new contract in Europe expected to grow to a Medium contract.

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. To support our substantial growth and the launch of new programmes, we raised a moderate level of debt, demonstrating a strategic approach to working capital requirements.

### BOARD COMPOSITION AND OUR PEOPLE

The Group continues to benefit from a stable and impactful founder-led executive management team, showcasing strength in leadership, innovation and resilience to grow the business over the long term in all regions.

In addition to the Non-Executive changes to the Board detailed in my introduction, I was pleased to welcome Victoria Carvalho, Chief Proposition Officer, as an Executive Director of the Board on 22 February 2023. Victoria brings extensive experience, spanning over 20 years in strategic roles focused on operational growth, including notable positions at Nasdaq and Thomas Reuters in New York and London. Since joining Ten in 2018 as a member of the Senior Leadership Team, she has played a pivotal role in developing Ten's unique proposition, providing access to a diverse range of benefits and experiences across major consumer markets.

At the same time, we bid farewell to Sarah Hornbuckle as an Executive Director, who continues to contribute as the Client Services Director. We extend our sincere thanks to Sarah for her dedicated service since joining in 2001 and to the Board, playing an instrumental role in the success of Ten.

Our commitment to developing our people is evident, in part, through the Ten Academy and Ten's Global Leadership Programme – a twelve-month internal development initiative shaping the Group's future leaders on a global scale. Nurturing an employee culture rooted in Ten's principles of transparency, education, promotion, engagement, and Diversity, Equity, and Inclusion (DEI) Programme, underpinned by our recent B Corp certification, continues to support our diverse, global workforce and helps us attract, retain and develop the best talent.

In strategic alignment with our commitment to sustained growth, the Group adjusted headcount this year, emphasising operational efficiency, regional variations in demand, and a reorganisation of the business, preparing the business for the next phase of growth.

On behalf of the Board, I express gratitude to the entire Ten team for their adaptability, professionalism, and steadfast commitment throughout the year. Their contributions are invaluable, and we take great pride in their dedication to our collective success.

### SUMMARY

Amidst a challenging macro environment, Ten has not only weathered the storm but excelled with record Net Revenue and Adjusted EBITDA profit and margin, showcasing the resilience of our business model and the inherent value we bring to corporate clients as integral components of their customer engagement strategies. Our ability to retain and grow corporate clients speaks to the strength of our partnerships, serving as the chosen loyalty platform for many of the world's leading brands.

We believe changes in technology, consumer's evolving lifestyle demands and the fact that corporate clients need to create deeper connections with their customers means there is considerable room for growth in the market. Actions taken this year, and those planned for 2024, underscore our commitment to seizing these global opportunities.

I express sincere gratitude to our Shareholders for their support throughout the year.

**Jules Pancholi**
Non-Executive Chairman
21 November 2023



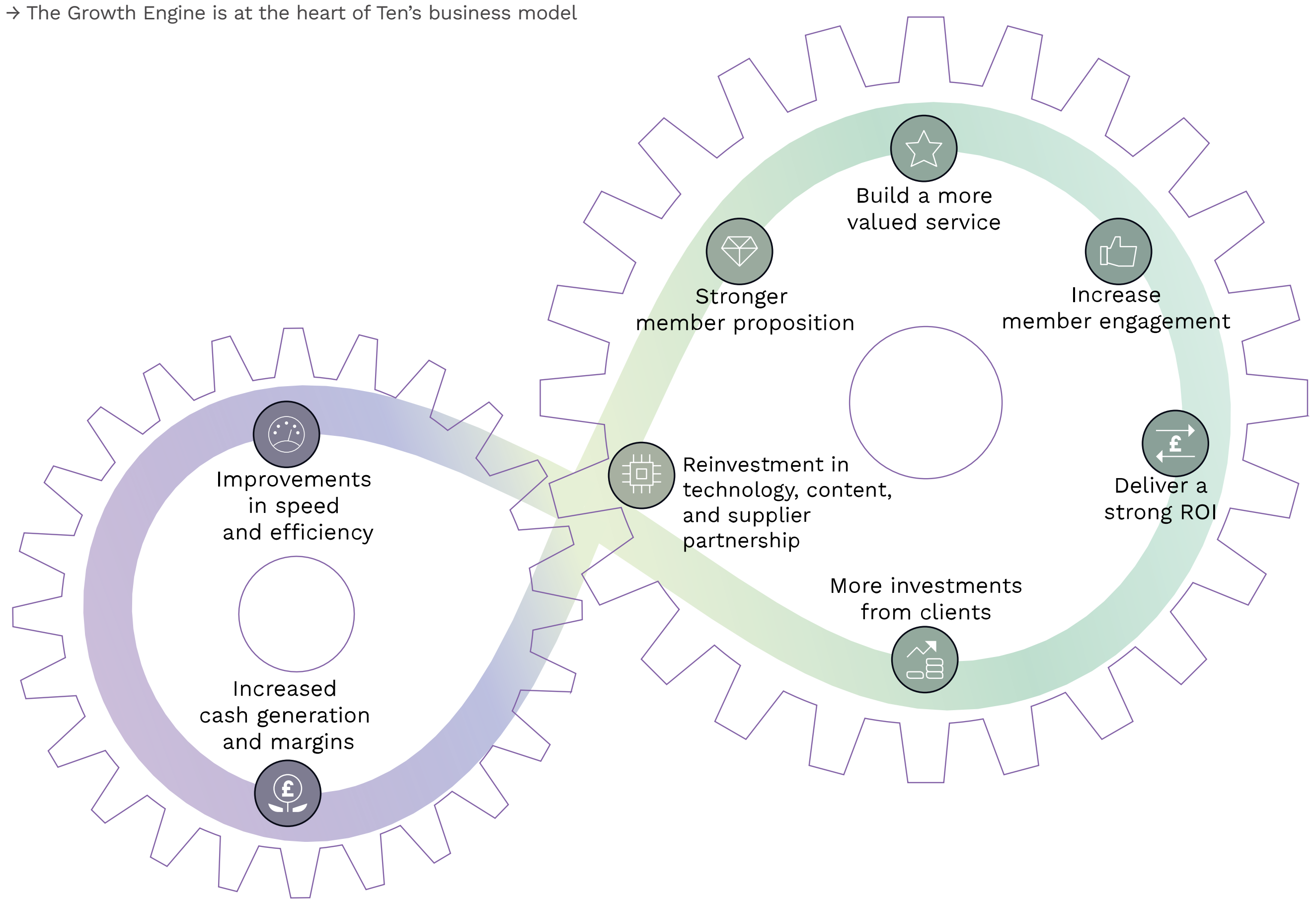


> "Our market-leading digital capabilities differentiate us from our competition, paving the way for record Net Revenue and Adjusted EBITDA profitability."

**Alex Cheatle**
Chief Executive Officer

# SUCCESSFUL BUSINESS MODEL WITH RECORD REVENUE AND PROFITABILITY

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



### Overview

In the year, we achieved remarkable milestones, including a 35% growth in Net Revenue for the second consecutive year. The Group also more than doubled Adjusted EBITDA to £12.0m (2022: £4.9m), increased its Adjusted EBITDA margin and achieved its first positive profit before tax (PBT) since IPO. This marks a step-change in Ten's profitability, whilst continuing to invest into our proprietary technology, including AI, that will drive our future success.

The "Growth Engine" at the heart of our business continues to demonstrate its effectiveness.

By delivering high service levels across our high-touch and digital platforms, which improve customer profitability metrics for our corporate clients, we have retained all of our Material Contracts for the fourth consecutive year, increased Net Corporate Revenue Retention Rate to 131% (2022: 120%) as well as securing new contracts.

We closed the period with a record Net Revenue run rate, improved Adjusted EBITDA, an enhanced digitally enabled service platform, and a healthy sales pipeline of new business, positioning the Group well for the next phase of growth.

### Record Net Revenue and profitability

Our market-leading digital capabilities differentiate us from our competition, paving the way for record Net Revenue and Adjusted EBITDA profitability. Notably, Net Revenue increased by 35% to £63.0m (2022: £46.8m), Adjusted EBITDA was up £7.1m to £12.0m (2022: £4.9m), a 145% improvement on the prior year and Adjusted EBITDA margin increased by 8.7% to 19.1% (2022:10.4%).

The substantial growth in Net Revenue from our corporate clients, which increased 35% to £55.6m (2022: £41.1m) can be attributed, in part, to increased member activity (paid for by our corporate clients) and revenue from contract developments. Additionally, Net Revenue from our supplier partners, predominantly commission related to our members' travel, rose by 30% to £7.4m (2022: £5.7m). Operating expenses and other income increased by £9.1m to £51.0m (2022: £41.9m), principally driven by increased headcount required to service the heightened activity across the business.

A step-change in Adjusted EBITDA profit and margin (and PBT) was fuelled by enhanced efficiencies, driven by the growing professionalism of our operational staff and advancements in our technology.

Cash generated from operations in the year increased by £6.7m to £11.5m (2022: £4.8m). The Group concluded the year with cash and cash equivalents totalling £8.2m (2022: £6.6m) and improved net cash of £3.7m (H1 2023: £0.5m; FY 2022: £3.2m).

### Regional analysis

#### Europe

In Europe, our commitment to enhancing services for members and corporate clients in our most mature markets, alongside our expansion into maturing markets in Continental Europe, has proven successful.

Regional Net Revenue achieved robust growth of 26% to £25.9m (2022: £20.6m). This was fuelled by increased member activity, contract expansions, and heightened member engagement rates, paid for by supportive corporate clients. Notably, several flagship corporate clients with Material Contracts increased their budgets during the period. We retained all Material Contracts and we won new mandates from corporate clients in the region.

Developments in the region also resulted in strong Adjusted EBITDA growth of £4.3m to £9.2m (2022: £4.9m), a 88% increase. This represents a 36% Adjusted EBITDA margin for our most mature region.

#### Americas

We celebrate another year of substantial growth and enhanced Adjusted EBITDA profitability in the Americas. Developing this region, home to almost 50% of the world's High Net Worth Individuals, is a key objective for Ten.

Net Revenue in the region was up 56% to £25.8m (2022: £16.5m), driven by the healthy growth of existing contracts and new client mandates. The region also achieved an Adjusted EBITDA profit of £1.9m (2022: £(0.7)m) due to the success of contracts launched in the prior year, after a period of investment in growth.

We believe that key developments in the US market, the largest market in the region, such as JPM Chase's proactive efforts in developing travel and lifestyle offerings and Capital One's acquisition of Velocity Black, a smaller competitor of Ten, for a reported US$296m[11], have had a positive ripple effect, sparking interest from other banks and wealth managers in Ten's proposition, paving the way for Ten to engage with potential new corporate clients.

#### AMEA

The AMEA region demonstrated solid growth, with Net Revenue increasing by 16% to £11.3m (2022: £9.7m) and achieving a £0.2m increase in Adjusted EBITDA to £0.9m (2022: £0.7m), an 29% increase.

11 Hurley, J. (2023, June 2). Founders of Velocity Black bank US $80m from Capital One. The Times. Retrieved from https://www.thetimes.co.uk/article/founders-of-velocity-black-bank-80m-from-capital-one-z6gtj9qx0.





**Net Revenue**

**£63.0m +35%**

(2022: £46.8m)

**Adjusted EBITDA**

**£12.0m +145%**

(2022: £4.9m)

**Profit/(Loss) before tax**

**£0.9m**

(2022: £(3.8m))

**Active Members**

**353k +28%**

(2022: 275k)

**Investment in technology, content, and communications**

**£13.9m +2%**

(2022: £13.6m)

> "Our early adoption of AI reflects our commitment to harnessing its potential in 2024 and beyond."

### Our investments in technology, AI 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. We invested £13.9m in technology, communications, and content in the year (2022: £13.6m). We believe that our strategic focus on market-leading digital capability clearly differentiates us from our competitors and underpins our long-term "Growth Engine" strategy to become the world's most trusted service.

Throughout the year, these investments led to significant advancements in our digital roadmap, detailed on pages 20 and 21. Notable improvements include enhanced personalisation, user experience, and the introduction of new "self-serve" digital capability, ultimately reducing the cost to serve and delivering a stronger Return on Investment for our client's customer loyalty budgets, unlocking additional budget to spend on Ten's full suite of services.

Our early adoption of AI reflects our commitment to harnessing its potential in 2024 and beyond to turbo-charge our Growth Engine by improving efficiency and also service quality. We are already seeing material results in multiple areas and are completely committed to leveraging AI in 2024 and beyond.

In the short-term, AI is already driving efficiency and output across the business from translations to coding and quality assurance for high touch requests. We have also launched an AI "co-pilot" for Lifestyle Managers, who comprise the largest group of employees, to support more efficient and high quality service. Further details on our AI initiatives can be found on page 21.

Our unique "not available on the internet" assets, such as exclusive tables at top restaurants, tickets for sold-out shows, exclusive events and value-add benefits at hotels, empowers our AI to deliver value for our members via our digital self-serve and high-touch channels. This advantage, coupled with our digital self-serve and high-touch channels, sets us apart from mass-market AI interfaces reliant on publicly available assets.

### Enhanced member proposition, satisfaction, and engagement

Throughout the year, we have strengthened our core propositions, as set out on pages 14 to 17, to deliver a more compelling and accessible offering to serve existing members and attract new members.

The attractiveness and accessibility of our proposition directly correlates with heightened engagement, usage, and advocacy among our members. Member engagement and satisfaction are key to building value for corporate clients, who want to improve the engagement, retention, and acquisition of their most valued customers. This, in turn, justifies increased corporate spending with us and attracts 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), showing a marginal increase from the previous year.

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 not only underscore the success of our member-focused initiatives but also serve as compelling evidence of the return on corporate client investment in our service, contributing significantly to our high levels of corporate client retention.

### Summary

We have retained all our Material Contracts for the fourth consecutive year, with an increased Net Corporate Revenue Retention Rate of 131% (2022: 120%), and have launched new contracts in the year. We have continued our record of retaining all Material Contracts where we have launched our Ten Digital Platform.

We believe our competitive position is stronger than ever, backed by global reach and 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.

By developing the platform, and in turn our corporate clients, we have grown Net Revenue by 35% during the year. Our commitment to innovation is underscored by our continued investments in technology, including AI, 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 a step-change in Adjusted EBITDA profitability of £7.1m to £12.0m (2022: £4.9m) and Adjusted EBITDA margin up to 19.1% (2022: 10.4%).

I am proud of how our people across our offices globally continue to professionally deliver and innovate high-quality service to our members, paid for by our corporate clients. I would like to express my thanks also to our outstanding management team, which continues to drive the business successfully towards our mission of becoming the world's most trusted service.

### Current trading and outlook

We continue to drive revenue through increased activity from existing Active Members and "first time users" from our existing Eligible Member base. In addition, we have a healthy pipeline of new partnership opportunities that will further increase our Eligible Member base.

Our corporate clients pay us to improve the engagement and retention of their wealthiest customers that then drives their commercial metrics. Many of our banking clients, partly due to higher interest rates, are reporting higher levels of profitability from this customer demographic when compared with the low interest rate environment from 2008 to 2021. This improves the return on their investments with Ten and helps underpin our revenue expectations.

We expect to continue to convert our strong pipeline of contract opportunities with global financial institutions and premium brands, with multiple new contract developments since the start of the financial year due to deliver revenues from H2 2024.

We remain focused on increasing both Net Revenue and Adjusted EBITDA profitability. We plan to maintain investment in our proprietary technology, communications, and content, which provides competitive advantage, with investment into AI. Loans raised to date will continue to support the Group's working capital requirements and we expect cash generation across the full year, with H2 being stronger than H1.

Trading to date, our high corporate client retention rates, strong service levels, 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 growth for both Net Revenue and profitability.

**Alex Cheatle**
Chief Executive Officer
21 November 2023





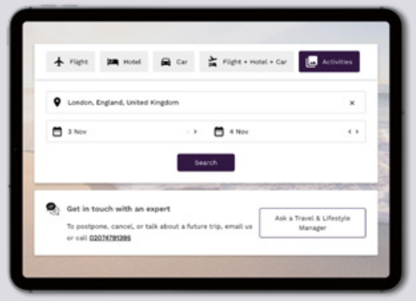
# A digitally enabled platform driving customer loyalty for global financial institutions and other premium brands

→ 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 for mass affluent and high-net-worth individuals (HNWI) to access and organise dining, travel, entertainment, and premium shopping

← Roka, Dubai, one of Ten's restaurant partners



### The established market leader for technology enabled concierge services

- The leading global, lifestyle and travel platform, in 18 languages and 100+ countries
- Loyal, long-term corporate contracts
- A growing, engaged HNWI member base

← The Travel Search function on Ten's Digital Platform

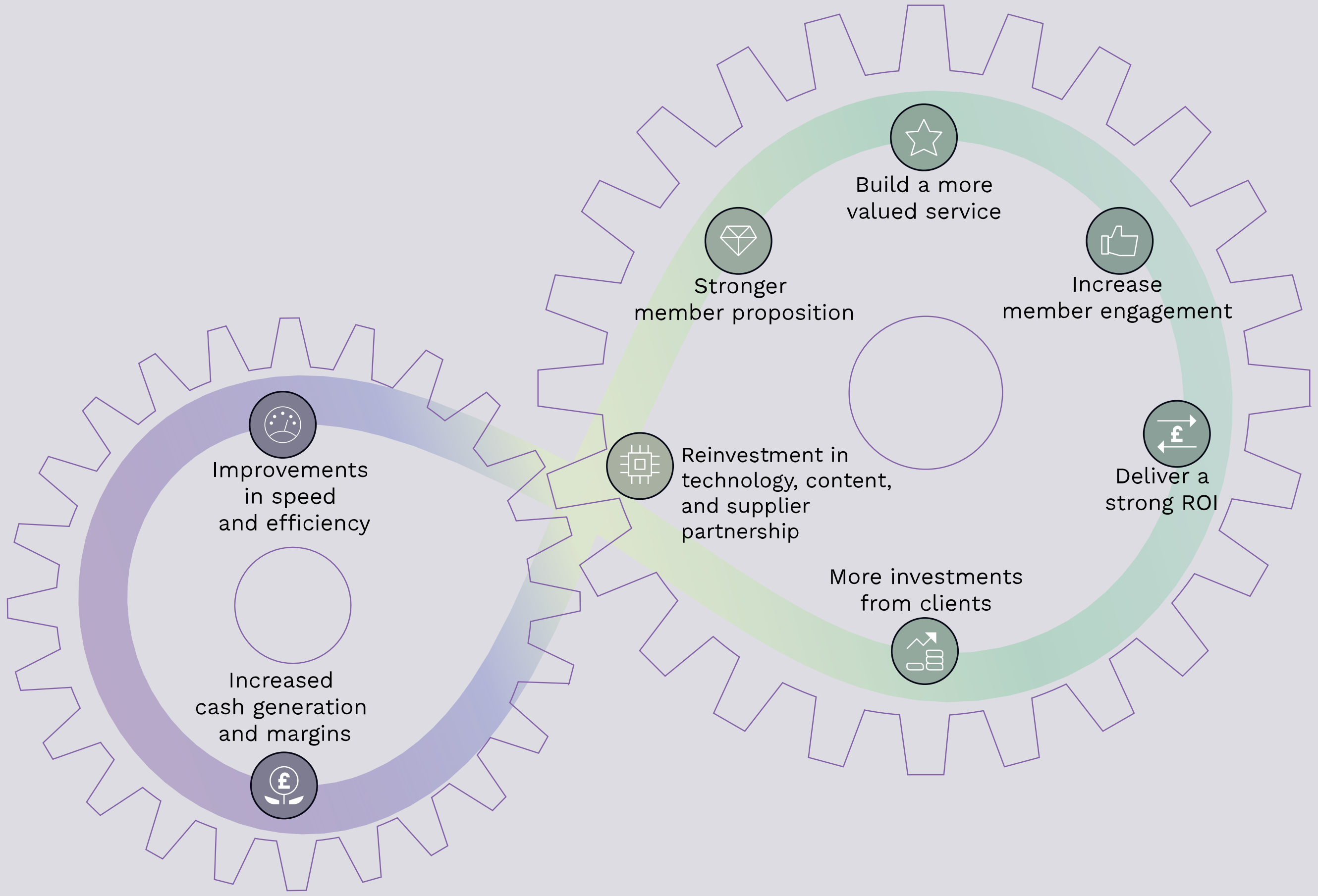
### A proven Growth Engine at the heart of our business model

- 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

← Coldplay performs at Etihad Stadium, where Ten secure hospitality packages for our members.
Credit: Shirlaine Forrest/WireImage, Getty Images

# 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 generates cash over time and as Ten scales, creating value for shareholders and a competitive position.








# THREE STRATEGIES FUELLING TEN'S GROWTH ENGINE

## 1. BUILDING A STRONG MEMBER-LED PROPOSITION

### ACHIEVING THIS STRATEGY

To become the most trusted service in the world, our focus remains on delivering a "member-first" service and proposition that is reliable, relevant, and valued, with people and technology that act in the members' best interests.

Members engage with a valued, trusted, and convenient lifestyle platform spanning travel, dining, premium shopping, live entertainment, and events. The platform provides exceptional access, benefits, and value across multiple consumer markets, adapting to individuals' evolving needs. This, in turn, strengthens and deepens the loyalty of our members to our corporate clients' brands.

↘ Beyonce's 2023 Renaissance World Tour, an event for which Ten sourced tickets for members Credit: Kevin Mazur/WireImage for Parkwood, Getty Images

## 2. GROWING THE INVESTMENT FROM CORPORATE CLIENTS

### ACHIEVING THIS STRATEGY

Corporate clients engage Ten's services to improve engagement, retention, and acquisition of their premium customers, and Ten is often chosen over other retention and acquisition tools. Collaborating with Ten enables corporate clients to achieve their objectives in digital transformation, customer advocacy, assets under management (AuM), and spend on related payment card product.

By demonstrating quantifiable returns on investment (ROI) for our corporate clients, this encourages clients to further develop and invest into their travel and lifestyle proposition for their customers.

↘ Salon Prive, one of Ten's member events

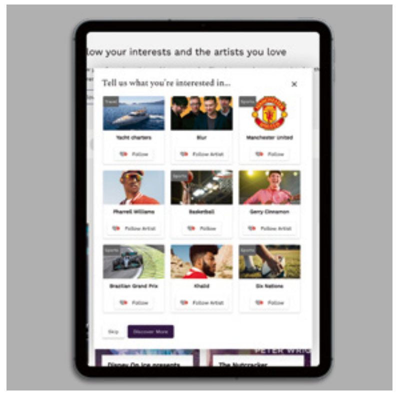

## 3. INVESTING IN TEN'S SERVICE PLATFORM

### ACHIEVING THIS STRATEGY

Profits generated from increased revenue by the Group facilitate additional investment to further enhance and deepen our proposition. Strategic investment areas are technology including AI, content, and supplier partnerships. The collective purchasing power of our members allows us to negotiate better access, value, and benefits.

Additional enhancements to the Ten Digital Platform, a growing content library, supplier partnerships, and automation improve service speed and efficiency. This, in turn, generates profit and cash, and continued investment ensures that the member proposition is more compelling over time.

↘ The "Follow Interests" function on the Ten Digital Platform



# 1. BUILDING A STRONG MEMBER-LED PROPOSITION

Throughout the year, we have pursued our vision of being the premier choice for affluent and high-net-worth consumers to manage their diverse lifestyle and travel requirements by enhancing our member offerings. A robust member proposition fuels member engagement and delivers results for our corporate clients.

## TRAVEL AND TOURISM

### STRATEGY

Comprehensive, personalised travel guidance and bookings, including online flight, hotel, car rental bookings and attractions accessible via the Ten Digital Platform, with better value than the internet, as well as bespoke vacations and unique travel experiences serviced by experts in luxury travel.

- Leverage the collective 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, Direct Connections programme, and travel activities or attractions
- Produce engaging travel articles, a digital travel magazine, and destination guides, highlighting the extensive range of our global travel offerings, benefits, experiences, and expert knowledge
- Utilise the travel module of the Ten Digital Platform, allowing members to find travel inspiration and conveniently search for and book flights, hotels, car rentals, and activities or attractions
- Provide impartial recommendations and superior value for money compared to other travel providers, as we are not primarily dependent on commission fees for revenue generation
- Offer travel experts to plan tailor-made, once-in-a-lifetime holidays for our HNWI members and their families

### PROGRESS

- Expanded Ten's Global Hotel Collection, increasing the portfolio to over 4,320 luxury hotels (2022: 4,204) that offer additional benefits to our members
- Relaunched our Essential Hotel Collection of 650,000 3* to 5* hotels globally with on average 15% cheaper pricing than online travel agents
- Implemented enhancements to our online hotel proposition UX/UI to enable greater differentiation across client sites and improve booking conversions
- Successfully launched Viator, one of the largest activities service providers, on the Ten Digital Platform. This integration provides access to over 250,000 activities, tours, and day trips in more than 3,000 locations worldwide
- Continued to develop our suite of travel guides and itineraries, which now stand at 355 in total, 305 of which are in non-English languages
- Published a total of 21 issues of "Explore" covering inspirational content of destinations, features of new hotel partnerships, and benefits to promote member use of the service






↑ A Ten member exclusive event with Dior in London

## DINING

### STRATEGY

Dining recommendations from expert Lifestyle Managers and premium access to the best restaurants with online reservations, not available to the public, through the Ten Digital Platform.

- Expand Held Tables programme, offering preferential access to 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
- Organise exclusive restaurant take-overs for members to create unique and memorable dining experiences
- Strengthen buying power, long-term relationships, in-house expertise, and reputation to secure access to the best restaurants, with even more premium experiences and offers at peak times

### PROGRESS

- Maintained the Held Tables programme with over 2,000 restaurants across 160 cities (2022: 102 cities)
- Maintained the portfolio curated and searchable reviews to just under 11k of the world's top restaurants (2022: c.10k)
- Published a total of 25 issues of "Dine", "Wine" and "Cook" which include a collection of articles and recipes contributed to by world-class chef partners

## ENTERTAINMENT

### STRATEGY

Member-only access to and recommendations for expert sports, theatre, music and at-home entertainment, along with face-value (or better) tickets with seamless 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 soughtafter events
- Develop entertainment newsletters for members discovering entertainment, experiences, and events with advance, exclusive or discounted access
- Develop a personalised approach, tailoring entertainment recommendations to individual member preferences and interests
- Leverage the power of our membership base to negotiate special allocations, priority access, and VIP experiences for our members

### PROGRESS

- Engaged more than ten new entertainment partners, expanding Ten's access to the most sought after shows and events
- Booked special events tickets across various events including Taylor Swift's concert, UK and European football league matches, O2 Arena VIP suites, and Wimbledon hospitality packages
- Launched Ten Box Office technology , allowing more efficient handling of ticket sale, allocations, and guest list management

## PREMIUM RETAIL

### STRATEGY

Member-only benefits, exclusive access, and tailor-made events in collaboration with top-tier, luxury renowned or up-and-coming brands, retailers, and products, all redeemable online through the Ten Digital Platform.

- Expand our portfolio by adding hundreds of premium and emerging retail brands, making them easily accessible for searching, redeeming, and purchasing through the Ten Digital Platform's offer and experience modules.
- Leverage our members' buying power to secure exclusive benefits, discounts, and access to high-end brands.
- Use personalised email marketing campaigns to highlight relevant offers for our members, including editorial guides, gift ideas, experiences, and events.
- Host exclusive member-only in-person and virtual gatherings in collaboration with premium retailers, complimentary to our members.
- Source rare and desirable luxury products for our members

### PROGRESS

- Expanded the offers available to buy or redeem on the Ten Digital Platform to over 1,700 (2022: >760)
- Over 190 events held globally, including Ten's Book Club arranged for members featuring award-winning authors (2022: >235 events)
- Launched exclusive client commissioned events sourced and hosted – ranging from wine tasting to private viewings at galleries and museums

# 1. BUILDING A STRONG MEMBER-LED PROPOSITION CONTINUED

### GROWING MEMBER ENGAGEMENT

Ten's Eligible Member base primarily comes from its partnerships with corporate clients. The affluent and high-net-worth member base enhances Ten's ability to secure top-tier access, offers, and benefits from supplier partners, further enriching Ten's member proposition. This is reinforced by our expert Lifestyle Managers, the Ten Digital Platform, captivating editorial content, and targeted email marketing, which together drive member engagement, expand our Active Member base, and boost usage frequency.

### ACTIVE MEMBERS UP 28%

Individuals who possess an eligible product, employment, account, or card with one of Ten's corporate clients become "Eligible Members", with access to Ten's platform and service, registered to the relevant corporate client's programme. Those who have utilised the platform or service within the past twelve months are considered "Active Members".

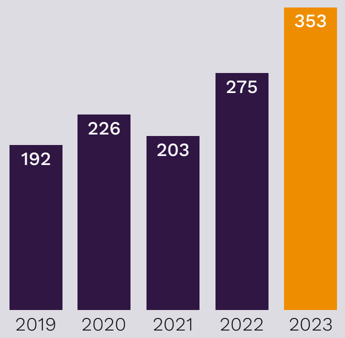
Ten's acquisition of Eligible Members is underpinned by the existing corporate clients and launch of new corporate programmes, as further described on pages 18 and 19.

A record number of Active Members used Ten's platform this year, a 28% increase on prior year. The scale of the Active Membership represents member engagement, which fuels Net Revenue growth and is used by senior management to track performance. Accordingly, it is one of the Group's KPIs and is regularly reviewed by the Board alongside the key financial performance indicators set out on pages 22 and 23.

Record levels of member engagement has resulted in a 30% 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 (2023: £7.4m; 2022: £5.7m). Rather than negotiating higher levels of supplier commissions, Ten prioritises securing the best member benefits to drive member satisfaction.

TOTAL ACTIVE MEMBERS ('000)

353k






↑ Norma restaurant in London, part of Ten's Global Dining Collection

### 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 increasingly being integrated with corporate client technology, delivering seamless access, including via self-registration and single sign-on, as well as Ten's Open Application programming interfaces (APIs) 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 tailors member communications, ensuring members have access to benefits relevant to their lifestyle and activities, with a 59% average email open rate of general emails (2022: 48%).

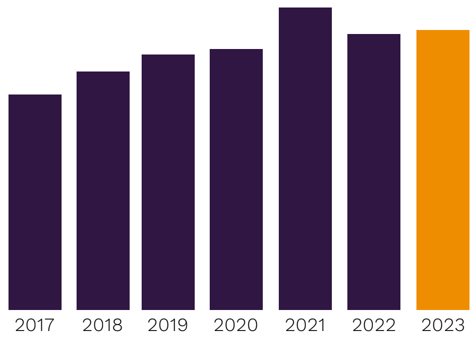
**AUTOMATED COMMUNICATIONS**
Out of the 14.4m member communication emails sent (2022: 11.5m), 39% (2022: 43%) were automated, riggered by member behaviours and sent without any manual intervention, offering useful, inspiring information about their upcoming bookings.

### NET PROMOTER SCORE (NPS)

As a consequence of enhancements made to our member proposition, we have once more attained a higher Net Promoter Score (NPS), our principal gauge of service quality and member satisfaction. This metric serves as a KPI employed by senior management and is frequently observed by the Board in tandem with the key financial performance indicators detailed on page 48. High satisfaction levels contribute to the growth of Active Members, as contented users are more inclined to continue utilising the service.

In addition, we assess service quality against our in-house quality assurance benchmarks to ensure optimal performance.

NPS (NET PROMOTER SCORE)



# 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 significant contract developments, notably securing the expansion of a digitally enabled concierge programme in the Americas for premium customers. Initially anticipated as a Medium-sized contract, its success led to an expansion, transforming it into a Large-sized contract. Exceptional member engagement levels during the programme launch exceeded expectations, resulting in additional commitment from the client. It has now agreed to expand the programme, including client-funded customised content and assets.

We have not lost a corporate client with a Material Contract in the last four years. This is testament to the commercial results that drive our corporate clients' 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 including a banking product on sale, which includes Ten's digitally enabled concierge and lifestyle service, which has proven popular with its customers. Notably, some of our corporate clients continued to invest in their digital proposition and differentiate their member experience by commissioning custom technology development projects with Ten.

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

↑ Burnt Ends in Singapore, part of Ten's Global Dining collection





### Growing existing programmes

The Group reports a 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[12].

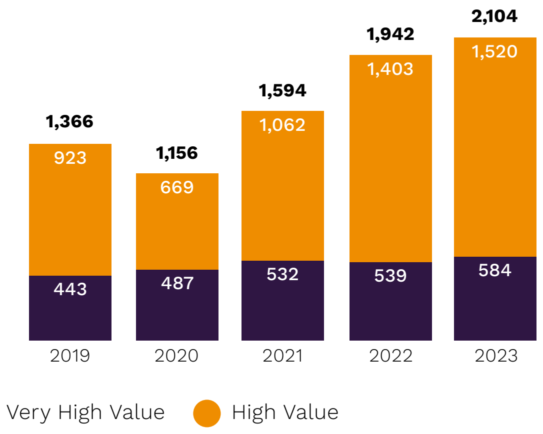
The **Very High Value** segment includes members attached to programmes with private banking corporate clients, which typically have a high level of investable assets under management and hold premium, high-fee products. The potential (and actual) customer loyalty budgets of private banking corporate clients for such individuals are typically higher due to the profitable nature of their accounts, especially in the current climate of high 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 specific type of card product and we acquire Eligible Members via contracts with the payment network provider. As such, the number of Eligible Members in this segment is very large and typically reports a lower Active Member penetration rate.

### Eligible Members

Eligible Members in High and Very High value segments ('000)

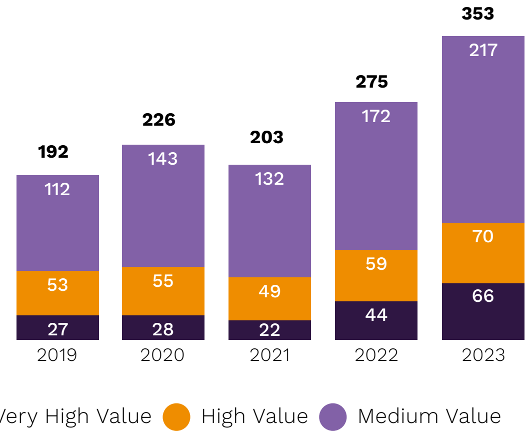



In the year, the Eligible Member base within the High Value and Very High Value segments grew by 8%. This was driven mostly by the acquisition of new customers through sponsoring corporate client sales and marketing activity or increases in eligibility, for example through increased assets under management 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[13] population was estimated to be at 21.7m in 2022[14], which is used by the Board as an approximation of the total addressable population of Very High Value Eligible Members.

### Active Members

Total Active Members, all segments ('000)




Active Members are members who have used the service at least once in the past twelve months. We saw a healthy growth in the number of Active Members driven by increased demand from members as our proposition and activation methods improve, and some corporate clients supported increased marketing activities, subject to client budgets.

The Active Member base of the Very High Value segment increased to 66k (2022: 59k). 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 influence 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 70k (2022: 44k), with an average Active Member penetration rate of 5% (2022: 3%). Growth in the segment was attributable to the:

- growth of Eligible Members from continued acquisition of customers by corporate clients;
- increase in the number of Active Members as sponsoring brands, driving marketing, member engagement, and demand for our core services; and
- growing repeat use by Active Members as the proposition and service continue to strengthen, ensuring engaged members continue to stay active

12 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.

13 CapGemini Research Institute's World Wealth Report (2023) defines a high-net-worth individual (HNWI) as someone with investable assets over US$1m excluding primary residence, collectibles, consumables and consumer durables.

14 CapGemini Research Institute's World Wealth Report (2023).

# 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.

**£13.9m**

(2022: £13.6M) INVESTED IN PROPRIETARY DIGITAL PLATFORMS, COMMUNICATIONS, AND TECHNOLOGY

Our investment in technology is focused on the areas of the Ten Digital Platform, TenMAID, AI, 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 (2022: 18) 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 our corporate client brands globally, including 80% (2022: 80%) of our Material Contracts.

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, supporting 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 assets
- 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:

- launch of the new Travel Activities feature on the travel proposition
- expanded member "follow" feature to include a broad range of interests (e.g. wine tasting or cricket) in addition to artists/bands
- introduction of waitlist capability especially for "fully-subscribed" complimentary events and upcoming events
- enhanced member browsing experience across inspiration, dining, and travel categories
- introduction of ESG category filters

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.





### ARTIFICIAL INTELLIGENCE (AI) AND TENMAID

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 improved Net Promoter Score (NPS).

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. In the year, we've continued to make improvements in TenMAID including faster member search, more robust and efficient Identification & Verification process, further automation of operational tasks, and usability. These developments contribute to operational efficiencies and ultimately member satisfaction.

In the year, we have built a Ten-specific enterprise variant of Microsoft Azure OpenAI for our workforce. With it, our teams can securely tap into generative AI technology, whilst safeguarding data and compliance considerations. Some key use cases range from researching responses to requests, generating pro-activity ideas, and searching our knowledge bases to identifying key trends from member feedback – ultimately helping Lifestyle Managers to work more efficiently and identify service improvement opportunities faster. These learnings are informing further developments and enabling member-facing chat experience powered by generative AI technology – fine-tuned with Ten's proprietary knowledge bases and unique proposition assets sourced from our suppliers.

Our product and technology teams have weaved AI into their daily routines and, with the use of GitHub Co-pilot, are seeing increased efficiencies in their workflows. Our content team has re-designed its workflows around content creation and speed of translations.

**80%**

of Material Contracts with the Ten Digital Platform

(2022: 80%)

**59%**

average open rate of general emails

(2022: 48%)

**14.4m**

member communications emails sent

(2022: 11.5m)

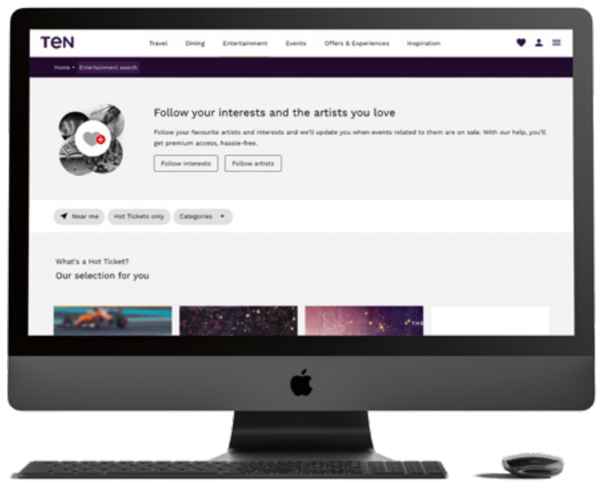
### CONTENT

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 is 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 2023 we:

- published 45 (2022: 45) lifestyle magazine editions across the globe covering dining, travel, days, wellness, days out, home and interiors, wine, and fashion
- sent 14.4m member communications emails (2022: 11.5m)
- increased the average open rate to 59% (2022: 48%)
- used videos promoting events and supplier partners to increase engagement and expanded the use of social media channels, including Instagram and YouTube, to drive the visibility and attractiveness of our key member propositions.



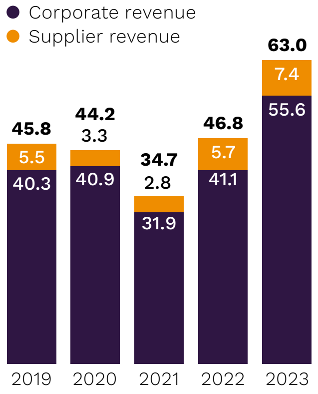

↑ Ten's Digital Platform

# KEY PERFORMANCE INDICATORS

Each month, the Board assesses the performance of the Group based on the following financial and operational key performance indicators (KPIs):

## NET REVENUE (£m)

£63.0m




### DESCRIPTION

Net Revenue from our corporate clients was up 35% to £55.6m due to the increase in member activity (paid for by our corporate clients) and revenue from new contracts. Net Revenue from our suppliers, mainly commission related to our members' travel, was up 30% to £7.4m

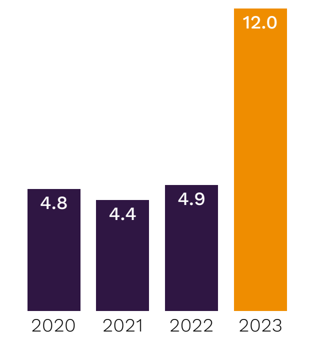
### DEFINITION

Net Revenue includes the direct cost of sales relating to certain member transactions managed by the Group

### LINK TO THE GROWTH ENGINE:

## ADJUSTED EBITDA (£m)

£12.0m




### DESCRIPTION

A step-change in Adjusted EBITDA to £12.0m, a 145% improvement

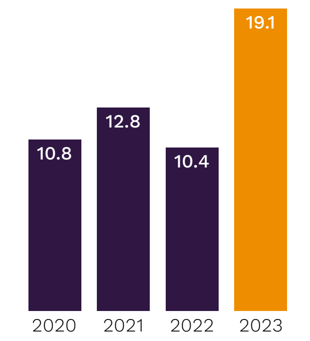
### DEFINITION

Adjusted EBITDA is operating profit/ (loss) before interest, taxation, amortisation, depreciation, share-based payment expense, and exceptional items. It also excludes National Insurance on share options.

### LINK TO THE GROWTH ENGINE:

## ADJUSTED EBITDA MARGIN (%)

19.1%




### DESCRIPTION

A step-change in Adjusted EBITDA Margin to 19.1%

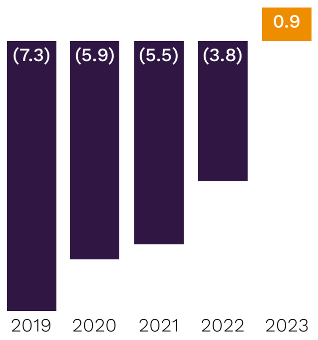
### DEFINITION

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

### LINK TO THE GROWTH ENGINE:

## PROFIT/(LOSS) BEFORE TAX (£m)

£0.9m




### DESCRIPTION

Inflection point with PBT up £4.7m to £0.9m.

### DEFINITION

Profit/(loss) before tax is revenue less all operational and non-operational costs, excluding income tax expenses.

### LINK TO THE GROWTH ENGINE:

### LINK TO THE GROWTH ENGINE:

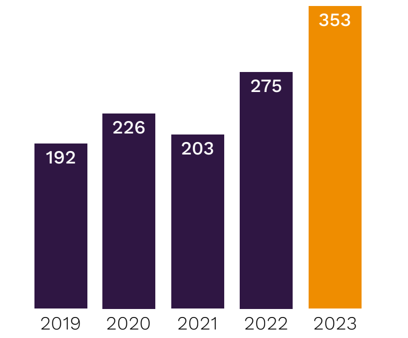
- More investment from corporate clients
- Improvement in speed and efficiency
- Reinvestment in technology, content, and supplier partnerships
- Building a strong member-led proposition
- Increased cash generation and margins





## ACTIVE MEMBERS ('000)

353k




### DESCRIPTION

Active Members up 28% to 353k.

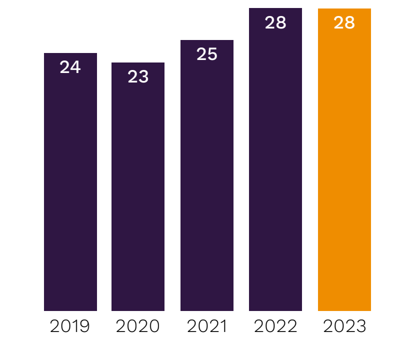
### DEFINITION

Individuals who possess an eligible product, employment, account, or card with one of Ten's corporate clients become "Eligible Members", with access to Ten's platform and service, registered to the relevant corporate client's programme. Those who have utilised the platform or service within the past twelve months are considered "Active Members".

### LINK TO THE GROWTH ENGINE:

## MATERIAL CONTRACTS

28




### DESCRIPTION

Retained all Material Contracts for fourth year running.

### DEFINITION

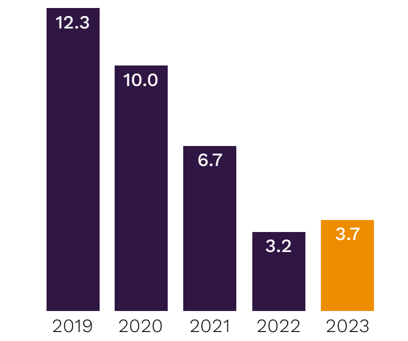
Ten categorises its corporate client contracts based on the annualised value paid, or expected to be paid, by the corporate client for the provision of concierge and related services by Ten as: Small contracts (below £0.25m); Medium contracts (between £0.25m and £2m); Large contracts (between £2m and £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".

### LINK TO THE GROWTH ENGINE:

## NET CASH (£m)

£3.7m




### DESCRIPTION

Cash and cash equivalents of £8.2m and net cash of £3.7m

### DEFINITION

Cash and cash equivalents, reduced by the aggregate of both current and non-current borrowings.

### LINK TO THE GROWTH ENGINE:

**Jules Pancholi**
Independent Non-Executive Chairman

Certified B Corporation

"Our steadfast commitment to prioritising ESG initiatives as outlined in our Sustainable Business Strategy persisted throughout the year, and I thank all our colleagues who contribute to positive impacts daily. In this report, we've further refined our reporting on the Group's diversity, inclusion, and carbon footprint. Notably, our successful attainment of B Corp certification marks a milestone, promising widespread positive impacts across our entire business.

The ongoing success of Ten's Global Leadership Programme, in conjunction with our DEI Programme, ensures the development of future leaders. We remain dedicated to optimising the practices of our content, lifestyle, and supplier management teams to empower our supplier partners, providing our members with more sustainable choices that positively influence all our lives."

**Jules Pancholi**
Chair of the ESG Working Group

→ Belmond Le Manoir, a member favourite destination for Ten hosted events





# Dedicated to growing a sustainable business

Ten is actively striving to become the world's most trusted service by growing a responsible business through the cultivation of a conscientious, member-centric, and innovative business model. Recognising the significance of Environmental, Social, and Governance (ESG) dynamics across our three sustainability pillars is pivotal to achieving this overarching goal.

**1.**

**Governance for sustainable growth**

**2.**

**Caring for our people and communities**

**3.**

**Reducing our impact on the environment**

## Our Sustainable Business Strategy has three priorities:

**1.** Greater transparency that informs better, data-driven decision making

**2.** Change internal operations and behaviours to make a positive impact

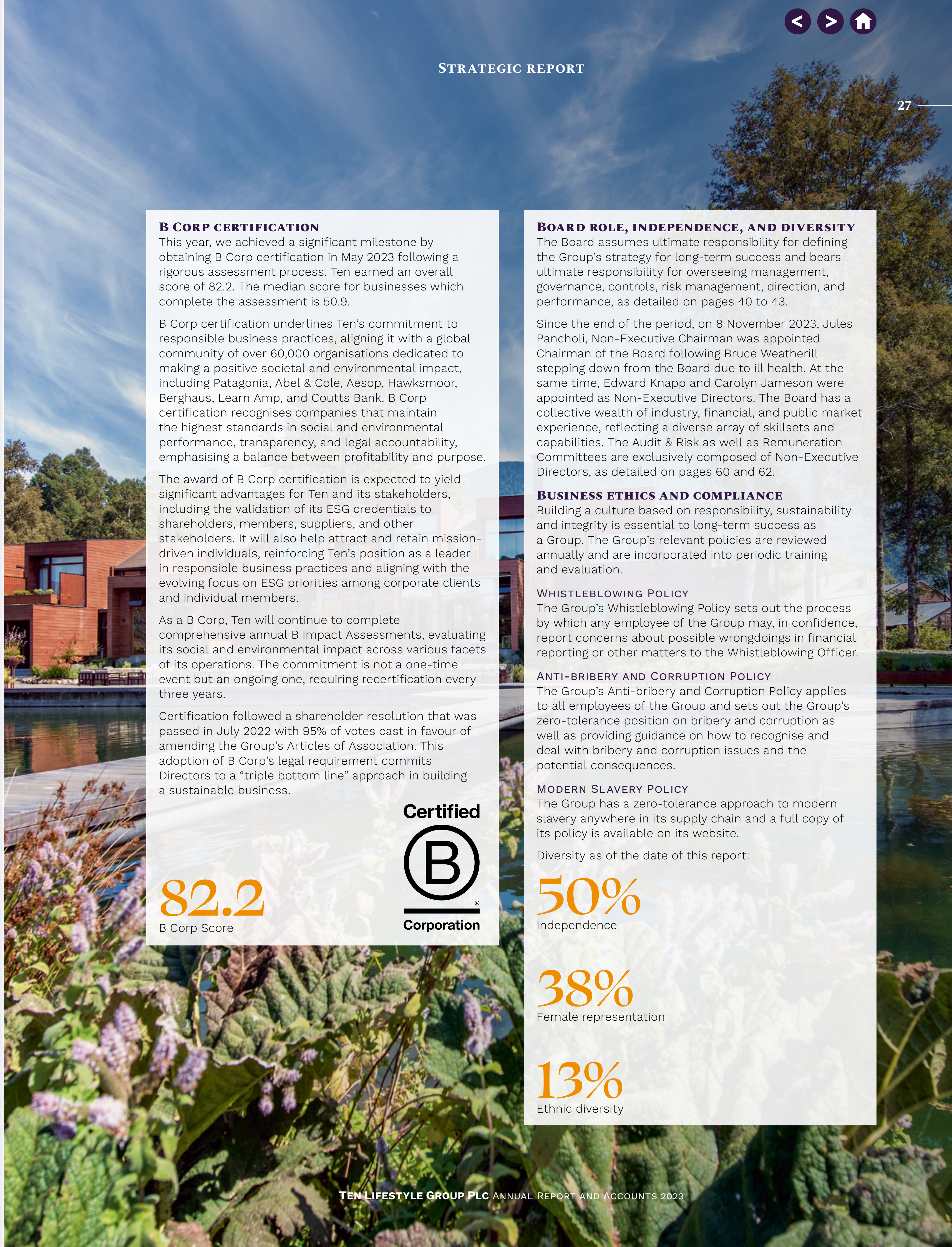
**3.** Actively encourage our supplier partners and members to make more sustainable choices

# 1. Governance for sustainable growth

### Sustainable Business Strategy

Developed by the Group's ESG Working Group, our Sustainable Business Strategy systematically evaluates the most impactful ESG issues, drawing insights from consultations with various functions and regions across the Group. Ongoing dialogues with investors and other stakeholders play a crucial role in refining our priorities, and additional details about the Board's interactions with stakeholders can be found on pages 38 and 39.

The ESG Working Group periodically updates the Audit and Risk Committee and the Board on its work, maintaining a transparent line of communication. The Board, in turn, retains oversight of the Sustainable Business Strategy, conducting assessments of relevant ESG risks and opportunities. This oversight ensures that the principles of governance are seamlessly integrated into the core fabric of our business operations.



→ andBeyond Vira Vira, Chile's Lake District





### B Corp certification

This year, we achieved a significant milestone by obtaining B Corp certification in May 2023 following a rigorous assessment process. Ten earned an overall score of 82.2. The median score for businesses which complete the assessment is 50.9.

B Corp certification underlines Ten's commitment to responsible business practices, aligning it with a global community of over 60,000 organisations dedicated to making a positive societal and environmental impact, including Patagonia, Abel & Cole, Aesop, Hawksmoor, Berghaus, Learn Amp, and Coutts Bank. B Corp certification recognises companies that maintain the highest standards in social and environmental performance, transparency, and legal accountability, emphasising a balance between profitability and purpose.

The award of B Corp certification is expected to yield significant advantages for Ten and its stakeholders, including the validation of its ESG credentials to shareholders, members, suppliers, and other stakeholders. It will also help attract and retain mission-driven individuals, reinforcing Ten's position as a leader in responsible business practices and aligning with the evolving focus on ESG priorities among corporate clients and individual members.

As a B Corp, Ten will continue to complete comprehensive annual B Impact Assessments, evaluating its social and environmental impact across various facets of its operations. The commitment is not a one-time event but an ongoing one, requiring recertification every three years.

Certification followed a shareholder resolution that was passed in July 2022 with 95% of votes cast in favour of amending the Group's Articles of Association. This adoption of B Corp's legal requirement commits Directors to a "triple bottom line" approach in building a sustainable business.

**82.2**
B Corp Score

Certified B Corporation

### Board role, independence, and diversity

The Board assumes ultimate responsibility for defining the Group's strategy for long-term success and bears ultimate responsibility for overseeing management, governance, controls, risk management, direction, and performance, as detailed on pages 40 to 43.

Since the end of the period, on 8 November 2023, Jules Pancholi, Non-Executive Chairman was appointed Chairman of the Board following Bruce Weatherill stepping down from the Board due to ill health. At the same time, Edward Knapp and Carolyn Jameson were appointed as Non-Executive Directors. The Board has a collective wealth of industry, financial, and public market experience, reflecting a diverse array of skillsets and capabilities. The Audit & Risk as well as Remuneration Committees are exclusively composed of Non-Executive Directors, as detailed on pages 60 and 62.

### Business ethics and compliance

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

Diversity as of the date of this report:

**50%**
Independence

**38%**
Female representation

**13%**
Ethnic diversity

# 2. Caring for our people and communities

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 members' lives and creating value for our corporate clients as well as enriching the lives of our colleagues and their communities. We remain focused on becoming an employer of choice and are proud of our diverse culture and inclusive workplaces, which are both critical in achieving this goal.

### Diversity, Equity, and Inclusion (DEI) strategy

For the last five years we have made diversity, equity, and inclusion (DEI) a cornerstone of our strategy and see it as fundamental to the Group's success over the long term. Our diverse and talented team is based in over 20 countries, and this brings a wealth of perspectives and experiences that adds value to our service.

Our Global Council for DEI operates as a task force inside the business and works through four clear strategic pillars.

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.

These drive a focus and commitment to make the Group's overall work one that is built on inclusivity and empowers our employees to have a true, authentic voice in the decisions within the business. Work continues as well to ensure we oppose discrimination of all types and create equality of opportunity across the business.

### Racial and ethnic diversity

Ten has made significant efforts through its DEI programming in 2023 to celebrate and strengthen gender diversity, religious inclusion, and ethnic representation across our business. We value feedback and see it as one of the most effective ways to involve our people and engage with them. In 2022, we launched our annual DEI survey programme, a voluntary opportunity for employees to feedback on our DEI work and provide answers to demographic questions. Whilst the feedback is highly valued and is used to inform the development of the overall DEI strategy, the demographic data produced presents statistical challenges. Given the voluntary nature of the survey and the anonymous nature of respondents' feedback, it's important to note that changes in individual respondents between years can introduce variations in the sample set when comparing results from one year to another. We are looking at opportunities to better facilitate these surveys as well as managing demographic data through our HR function.

In the survey, we saw a slight reduction in the racial and ethnic diversity of our senior management in 2023 compared to 2022. We are dedicated to enhancing the diversity of our leadership team in the future and are bolstering our internal DEI efforts, specifically allocating more dedicated resource to our DEI work. The cross-functional collaboration implemented ensures that our hiring, onboarding, and ongoing development processes actively contribute to a more diverse leadership cadre. Key programmes including our Mentor Network and Coaching Accelerator aim to provide under-represented groups within our organisation with valuable support and opportunities for growth and development, giving them clear, compelling career paths within the business.

We have also identified an opportunity to enhance the internal communication of our educational programmes and support for employees, enabling us to more effectively engage with them and better understand their evolving perspectives.





### Racial and Ethnic Diversity

| | Asian | | Black or African | | Hispanic/Latino | | White | | Mixed/other | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| Senior management | **16%** | 21% | **4%** | 6% | **6%** | 3% | **66%** | 58% | **7%** | 12% |
| Total workforce | **20%** | 20% | **14%** | 10% | **8%** | 6% | **46%** | 44% | **12%** | 20% |

### Gender Diversity

Our survey results also show that women are well represented within the workforce across all regions and at senior management level. We remain committed to ensuring that women are supported to attain senior positions throughout the business and in all regions, despite the slight reduction in representation since last year.

### Representation of women

| | Target | **2023** | 2022 |
|---|---|---|---|
| Senior management | 50% | **44%** | 47% |
| Total workforce | 60% | **65%** | 60% |

### Developing leaders

The Group is proud of its track record of developing talent. This is enabled by programmes such as 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. Ten's global mentor network is another programme that focuses on developing high potential leaders through mentorship, and our coaching accelerator offers coaching to all staff, be it in a virtual or face to face format. This programme also equips managers with foundational coaching skills which can be applied in their everyday work and team management. In all cases, the specific needs of our people, including any disabilities, are carefully considered during the hiring processes, in role and throughout training and development.

We are also pleased that our internship programme in South Africa and Switzerland continued this year with eleven interns joining the business. This programme to offer opportunities to emerging talent has been very successful, and ten of the twelve interns from 2022 have been retained in the business and are in full-time positions.

### 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.

### 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 requires 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.

### 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 US, and the Brazil General Data Protection Law (LGPD).

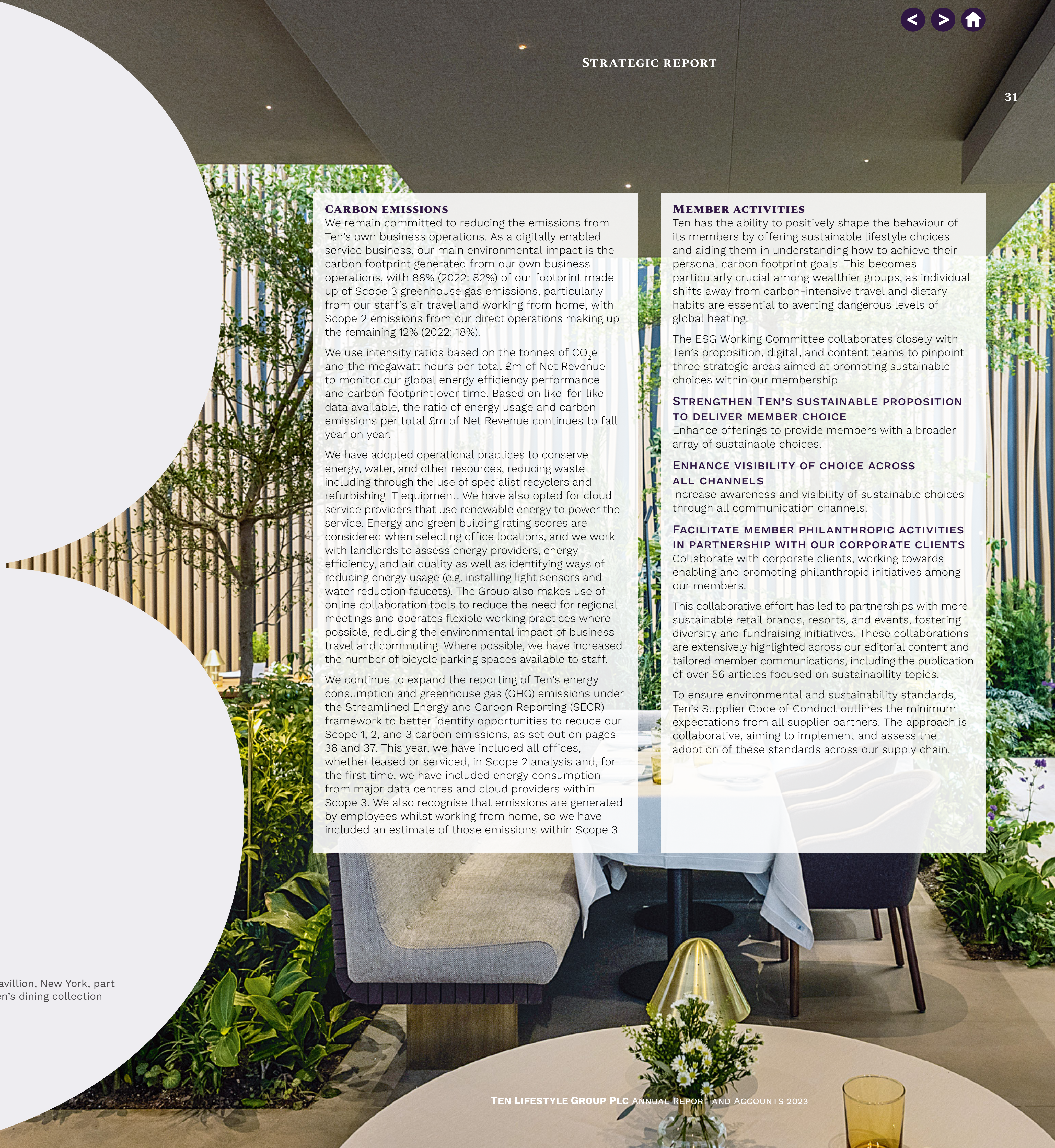
The information security and compliance teams undertake regular audits and receive regular training, and the Group maintains robust processes to ensure the proper processing of personal data and mitigate the risk of cybercrime.

### Supporting our communities

Following the first-year success of Ten's volunteering programme, granting employees paid leave to volunteer for a charity they have chosen, we have seen increased take up in its second year and a higher number of full teams participating. The range of community causes is extensive, and acts of service have included the collection and distribution of clothing and essentials for a refuge in Mumbai, stewarding at the Berlin Special Olympics, environmental conservation in the UK, compering an auction for LGBTQ charities in New York, and offering hands-on support at animal rescue centres in Hong Kong.

# 3. Reducing our impact on the environment

Ten's operations are low impact and low carbon intensive, but we continue to look for ways to minimise the environmental impact of the Group on the environment, as well as actively encouraging supplier partners and members to make more sustainable choices, as part of the Group's Sustainable Business Strategy.



→ Le Pavillion, New York, part of Ten's dining collection



## Carbon emissions

We remain committed to reducing the emissions from Ten's own business operations. As a digitally enabled service business, our main environmental impact is the carbon footprint generated from our own business operations, with 88% (2022: 82%) of our footprint made up of Scope 3 greenhouse gas emissions, particularly from our staff's air travel and working from home, with Scope 2 emissions from our direct operations making up the remaining 12% (2022: 18%).

We use intensity ratios based on the tonnes of $CO_2e$ and the megawatt hours per total £m of Net Revenue to monitor our global energy efficiency performance and carbon footprint over time. Based on like-for-like data available, the ratio of energy usage and carbon emissions per total £m of Net Revenue continues to fall year on year.

We have adopted operational practices to conserve energy, water, and other resources, reducing waste including through the use of specialist recyclers and refurbishing IT equipment. We have also opted for cloud service providers that use renewable energy to power the service. Energy and green building rating scores are considered when selecting office locations, and we work with landlords to assess energy providers, energy efficiency, and air quality as well as identifying ways of reducing energy usage (e.g. installing light sensors and water reduction faucets). The Group also makes use of online collaboration tools to reduce the need for regional meetings and operates flexible working practices where possible, reducing the environmental impact of business travel and commuting. Where possible, we have increased the number of bicycle parking spaces available to staff.

We continue to expand the reporting of Ten's energy consumption and greenhouse gas (GHG) emissions under the Streamlined Energy and Carbon Reporting (SECR) framework to better identify opportunities to reduce our Scope 1, 2, and 3 carbon emissions, as set out on pages 36 and 37. This year, we have included all offices, whether leased or serviced, in Scope 2 analysis and, for the first time, we have included energy consumption from major data centres and cloud providers within Scope 3. We also 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 shape the behaviour of its members by offering sustainable lifestyle choices and aiding them in understanding how to achieve their personal carbon footprint goals. This becomes particularly crucial among wealthier groups, as individual shifts away from carbon-intensive travel and dietary habits are essential to averting dangerous levels of global heating.

The ESG Working Committee collaborates closely with Ten's proposition, digital, and content teams to pinpoint three strategic areas aimed at promoting sustainable choices within our membership.

### Strengthen Ten's sustainable proposition to deliver member choice

Enhance offerings to provide members with a broader array of sustainable choices.

### Enhance visibility of choice across all channels

Increase awareness and visibility of sustainable choices through all communication channels.

### Facilitate member philanthropic activities in partnership with our corporate clients

Collaborate with corporate clients, working towards enabling and promoting philanthropic initiatives among our members.

This collaborative effort has led to partnerships with more sustainable retail brands, resorts, and events, fostering diversity and fundraising initiatives. These collaborations are extensively highlighted across our editorial content and tailored member communications, including the publication of over 56 articles focused on sustainability topics.

To ensure environmental and sustainability standards, Ten's Supplier Code of Conduct outlines the minimum expectations from all supplier partners. The approach is collaborative, aiming to implement and assess the adoption of these standards across our supply chain.

# Responsible Business continued

## Climate-related Financial Disclosures Regulations 2022 Statement

We recognise the climate change risks impacting the global environment and Ten actively supports the worldwide transition towards a sustainable, low-carbon economy, with a clear commitment to progressing towards net zero.

For the third year, we present climate-related disclosures in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, aligning with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).

Ten fully endorses the TCFD recommendations and is dedicated to their implementation, ensuring comprehensive information is available to all stakeholders regarding our exposure to climate-related risks and opportunities in order to make well-informed decisions.

Throughout this year, we have built on the foundations laid in prior years to further enhance our understanding of climate-related impacts and necessary disclosures relevant to the Group. We've diligently worked on establishing ambitious yet achievable targets for the Group and formalised our internal reporting structure for climate-related issues.

| Category | Description |
|---|---|
| **Governance** | |
| **The Group's governance around climate-related risks and opportunities.** | |
| a. Describe the Board's oversight of climate-related risks and opportunities | The Board maintains oversight of the Group's Sustainable Business Strategy, which identifies climate-related risks and opportunities identified by the ESG Working Group, chaired by Jules Pancholi, Non-Executive Chairman. The ESG Working Group periodically updates the Audit and Risk Committee to consider ESG risks, including climate-related risks, and its mitigation plans. Material risks specific to climate change are monitored on the Group's risk register, subject to regular scrutiny by both the Audit and Risk Committee and Board. |
| b. Describe management's role in assessing and managing climate-related risks and opportunities | The ESG Working Group is made up of senior representatives from the operations, proposition, people, legal, and project management teams and plays a dynamic role in scrutinising potential risks and opportunities across all relevant geographic and functional areas of the business. Emerging risks or opportunities are deliberated during regular management meetings where suitable action or mitigation plans are agreed. These are periodically presented to the Audit and Risk Committee and the Board. Climate considerations are embedded in relevant strategic and operational risk management processes. |
| **Strategy** | |
| **The actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning.** | |
| a. Describe the climate-related risks and opportunities the Group has identified over the short, medium, and long term | The tables below summarise the Group's analysis of the key climate-related risks and opportunities over the short (pre-2030), medium (2030–40) and long (post-2040) time periods. These opportunities and risks will continue to be reviewed and updated in response to the evolving landscape and as our climate-related strategy develops further. |
| b. Describe the impact of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning | The tables below summarise the impact of climate-related risks and opportunities on the Group. As a low-impact digitally enabled service business committed to reducing carbon generated from our own business operations, climate-related considerations are embedded in relevant strategic and operational risk management processes. |
| c. Describe the resilience of the Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | As identified in the tables below, the Group is resilient to most climate-related scenarios, including a 2°C or lower scenario. Climate-related factors introduce certain risks and uncertainties to the business; the Group has proved to be highly adaptable to operational and market challenges so the Board is confident that it will be able to adapt the business model and activities, if necessary, to mitigate any potential risks. |






↑ Ten opens the London Stock Exchange as the first AIM-listed business to achieve B Corp certification

| Category | Description |
|---|---|
| **Risk management** | |
| **How the Group identifies, assesses, and manages climate-related risks.** | |
| a. Describe the Group's processes for identifying, assessing and managing climate-related risks | The Board, and the Audit and Risk Committee oversee the Group's risk management and internal control framework. The ESG Working Group identifies emerging climate-related risks and formulates mitigation plans. Material risks are included on the Group's risk register, ensuring centralised documentation, review, and management of business risks. This process aims to establish appropriate mitigating measures and management plans for all identified risks. |
| b. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Group's overall risk management | Climate-related risks are considered in all relevant business decisions. To foster a culture of ongoing consideration for climate and environmental issues throughout our business, members of the ESG Committee are tasked with embedding the Group's Sustainable Business Strategy within the business, through engaging the Senior Leadership Team. |
| **Metrics and targets** | |
| **The metrics and targets used to assess and manage relevant climate-related risks and opportunities.** | |
| a. Describe the metrics used by the Group to assess climate-related risks and opportunities in line with its strategy and risk management process | As a low-impact digitally enabled service business committed to reducing carbon generated from our own business operations, the Group measures the energy and greenhouse gas (GHG) emissions from global business activities involving the purchase of electricity for all offices, business mileage and air travel, from data centres and key cloud service providers, and related to our employees working remotely from home.<br><br>The Group's Scope 1, Scope 2 and Scope 3 GHG emissions are disclosed on pages 36 and 37. |
| b. Describe the targets used by the Group to manage climate-related risks and opportunities and performance against targets | As a growth business, the Group used intensity ratios based on the tonnes of $CO_2e$ and the megawatt hours per total £m of Net Revenue to monitor our global energy efficiency performance and carbon footprint over time. The Group is committed to reducing the ratio of energy usage and carbon emissions per total £m of Net Revenue based on like-for-like data available. |

### Climate scenario analysis

We recognise the importance of identifying and assessing the potential implications of a range of plausible future climate scenarios in order for the Group to effectively plan for and manage any risks that climate change poses to our business, as well as the opportunities that climate change mitigation and adaptation may create.

The scenario analysis below outlines risks and opportunities related to climate change over the short (pre-2030), medium (2030–40) and long (post-2040) time periods and across the following two climate scenarios:

- Scenario 1: "High Carbon" scenario (>3°C) - "the bad scenario" in which greenhouse gas emissions reach 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.

### Table one: Climate change-related risks and opportunities

The tables below summarise the risks and opportunities identified as a result of the impacts of climate change on the business, as well as the maturity of our assessment (on a scale of 1 to 3):

| Risk/opportunity | Maturity of assessment | Overview of risk/opportunity | Business response |
|---|---|---|---|
| Climate change regulations | 2 | Risk: Changes in laws or regulatory interpretations may impact our operations, leading to potential penalties for non-compliance and increased operating costs to meet regulatory obligations. Stringent climate reporting requirements could also elevate expenses related to emissions tracking, reporting, and verification. | Actively track regulatory and industry changes, seeking legal and industry expertise when necessary. ESG Working Group addresses new climate compliance obligations. Our governance processes are designed to prevent any misstatements in external reporting. |
| Product and service adaptation | 2 | Risk: Revenue loss if the Group fails to adapt in the face of increasing awareness for climate-friendly services and products.<br>Opportunity: If the Group adapts to meet potential increase in climate-related demand, it could present an opportunity for revenue growth. | Actively developing a climate conscious product proposition within the Group's adaptable business model to support members through the low-carbon transition. Innovating to capitalise on opportunities and aiding members and corporate clients in adapting to and mitigating climate change effects. Increased corporate client enquiries, particularly from financial institutions, indicate a demand for product alignment with climate strategies. Further details on page 31. |
| Investor and corporate client sentiment | 2 | Risk: Investment loss if the Group fails to meet increasing stakeholder and investor expectations on climate action and disclosures.<br>Opportunity: Greater investment from stakeholders and investors as a result of a robust response to the climate agenda. | Actively minimising our climate impact and transparently disclosing our climate and broader ESG performance through the Annual Report, B Corp assessments, CDP, and Integrum. This commitment is aimed at sustaining our strong reputation with both current and future investors. |
| Carbon taxation | 2 | Risk: Although our operations are not emissions intensive, the implementation of external carbon pricing could increase operational expenses directly or indirectly through higher supplier costs, mainly related to energy.<br>Risk: Reduction in member activity as a result of increases targeted carbon taxation, especially in the travel industry. | The Group's Sustainable Business Strategy mitigates the risk of carbon pricing in our operations and supply chain. Our supplier engagement programme lessens exposure to carbon taxation on purchased goods and services.<br>The memberbase is less sensitive to price increases than the wider population and our member engagement strategy seeks to provide low-carbon alternative. |





| Risk/opportunity | Maturity of assessment | Overview of risk/opportunity | Business response |
|---|---|---|---|
| Rising temperatures and energy demand | 1 | Risk: Increased operational expenses, due to heightened energy demand for running our operations. This includes cooling for data centres, particularly with the potential rise in external temperatures. | Actively implementing energy efficiency measures and transitioning to cloud-based service providers to diminish our cooling demands. |
| Extreme weather conditions | 1 | Risk: Disruption to product and service offerings and demand for services as a result of extreme weather events and expense from property damage. | Robust business continuity plans in place to maintain operations across 20 locations globally and well-rehearsed remote operations. |
| Climate migration | 1 | Risk: Volatile market environment due to rapidly changing and unpredictable weather and climate conditions. | Global service offering and operations will enable adaptation to change as a result of climate migration. |

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

### Table two: Risks by climate scenario and time frame

The table below summarises the areas considered as part of our assessment of the potential risks of climate change on the business and the expected financial impact each may have, using the following definitions:

Low Financial Impact: Minor fluctuations in revenue or expenses that have a limited effect on the company's overall financial stability and are easily manageable with existing resources.

Medium Financial Impact: Noticeable changes in revenue or expenses with a moderate impact on profit margins, requiring some adjustments and strategic management.

High Financial Impact: Substantial fluctuations in revenue or expenses leading to a significant impact on profit margins, demanding urgent and comprehensive financial strategies for recovery and sustainability.

| Transition risks by climate scenario and time frame | | | Financial impact over time frame | | |
|---|---|---|---|---|---|
| **Risk** | **Financial impact** | **Scenario** | **Pre-2030** | **2030–40** | **Post-2040** |
| Climate change regulations | Potential penalties for non-compliance and increased operating costs to meet regulatory obligations. | Low carbon | High | High | High |
| | | High carbon | High | High | High |
| Product and service adaptation | Revenue loss if the Group fails to adapt in the face of increasing awareness for climate-friendly services and products. | Low carbon | Medium | High | High |
| | | High carbon | High | High | High |
| Investor and corporate client sentiment | Investment loss if the Group fails to meet increasing stakeholder and investor expectations on climate action and disclosures. | Low carbon | Medium | Medium | High |
| | | High carbon | Medium | High | High |
| Carbon taxation | Increased cost of products, services, and partnerships. | Low carbon | Medium | Medium | Medium |
| | | High carbon | High | High | High |
| Rising temperatures and energy demand | Increased cost of resources to fulfil service demands. | Low carbon | Low | Medium | Medium |
| | | High carbon | High | High | High |
| Extreme weather events | Decrease in demand for services as a result of weather conditions. | Low carbon | Low | Medium | Medium |
| | | High carbon | Low | High | High |
| Climate migration | Societal-level change in consumer and market behaviour as a result of climate change. | Low carbon | Medium | High | High |
| | | High carbon | 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.

## Climate scenario analysis continued

### Table three: Opportunities by climate scenario and time frame

The table below summarises the potential climate-related opportunities identified as part of our assessment of the potential impacts of climate change on the business.

| Opportunities by climate scenario and time frame | | | Financial impact over time frame | | |
|---|---|---|---|---|---|
| **Opportunity** | **Financial impact** | **Scenario** | **Pre-2030** | **2030–40** | **Post-2040** |
| Product and service adaptation | If the Group adapts to meet potential increase in climate-related demand, it could presents an opportunity for revenue growth. | Low carbon | Medium | High | High |
| | | High carbon | Medium | Medium | Medium |
| Investor and corporate client sentiment | Greater investment from stakeholders and investors as a result of a robust response to the climate agenda. | Low carbon | Medium | High | High |
| | | High carbon | Medium | Medium | Medium |
| Carbon taxation | The memberbase are less sensitive to price increases than the wider population and our member engagement strategy seeks to provide low-carbon alternative. | Low carbon | Medium | Medium | Medium |
| | | High carbon | Medium | Medium | Medium |

## Carbon emissions

The Group reports its Scope 1, 2, and 3 carbon emissions under the Streamlined Energy and Carbon Reporting (SECR) framework for the fourth year running. These include energy and GHG emissions from global business activities involving the purchase of electricity for all offices, business mileage and air travel, from data centres and 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. These ratios are used to monitor our global energy efficiency performance and carbon footprint over time. The analysis indicates that the Group's intensity ratios have reduced year on year since 2020.

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

| | Kilowatt hours of energy (kWh) | | | | Tonnes of carbon dioxide equivalent ($tCO_2e$) | | | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | 2021 | 2020 | **2023** | 2022 | 2021 | 2020 |
| **Scope 1** | **—** | — | — | — | **—** | — | — | — |
| **Scope 2** | | | | | | | | |
| a) UK electricity | **230,525** | 251,766 | 227,424 | 372,294 | **51.87** | 58.19 | 48.29 | 86.80 |
| b) Rest of world electricity (excluding serviced offices) | **242,302** | 248,589 | 189,609 | — | **49.67** | 56.66 | 88.55 | — |
| c) Serviced offices electricity | **189,477** | 205,689 | — | — | **47.95** | 49.23 | — | — |
| **Scope 3** | | | | | | | | |
| a) UK refunded mileage | **14,509** | 3,408 | 1,077* | 45,403* | **2.81** | 0.66 | 0.20 | 8.78 |
| b) Rest of world refunded mileage | **37,017** | 26,915 | 9,929* | — | **7.16** | 5.20 | 1.92 | — |
| c) Global air travel | **1,043,520** | 542,744 | — | — | **201.80** | 104.96 | — | — |
| d) Data centres and key cloud providers | **12,829** | 12,145 | — | — | **2.48** | 2.35 | — | — |
| e) Remote working | **4,223,387** | 3,303,066 | — | — | **816.72** | 638.75 | — | — |
| **Total emissions (Scope 1, 2 and 3)** | **5,993,566** | 4,594,322 | 428,039 | 417,697 | **1,180.46** | 916.00 | 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

| | Annual percentage change in kilowatt hours of energy (%) | | | | Annual percentage change in tonnes of carbon dioxide equivalent (%) | | | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | 2021 | 2020 | **2023** | 2022 | 2021 | 2020 |
| **Scope 1** | **—** | — | — | — | **—** | — | — | — |
| **Scope 2** | | | | | | | | |
| a) UK electricity | **(8%)** | 11% | (39%) | — | **(11%)** | 20% | (44%) | — |
| b) Rest of world electricity (excluding serviced offices) | **(3%)** | 31% | — | — | **(12%)** | (36%) | — | — |
| c) Serviced offices electricity | **(8%)** | — | — | — | **(3%)** | — | — | — |
| **Scope 3** | | | | | | | | |
| a) UK refunded mileage | **326%** | 216% | (98%) | — | **326%** | 230% | (98%) | — |
| b) Rest of world refunded mileage | **38%** | 171% | — | — | **38%** | 171% | — | — |
| c) Global air travel | **92%** | — | — | — | **92%** | — | — | — |
| d) Data centres and key cloud providers | **6%** | — | — | — | **6%** | — | — | — |
| e) Remote working | **28%** | — | — | — | **28%** | — | — | — |

### Table 3: Intensity ratio per £m of Net Revenue (tCO2e/£m / MWh/£m)

| | Megawatt hours of energy per £m of Net Revenue (MWh/£m) | | | | Tonnes of carbon dioxide equivalent per £m of Net Revenue ($tCO_2e$/£m) | | | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | 2021 | 2020 | **2023** | 2022 | 2021 | 2020 |
| Scope 2 a) and Scope 3 a) | **3.89** | 5.45 | 6.59 | 9.43 | **0.87** | 1.26 | 1.40 | 2.16 |
| Scope 2 a) and b) and Scope 3 a) and b) | **8.32** | 11.34 | 12.34 | — | **1.77** | 2.58 | 4.00 | — |
| Scope 2 a) to e) and Scope 3 a) to c) | **95.14** | 98.17 | — | — | **18.74** | 19.57 | — | — |

## 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 includes 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 include data from three of the Group's global data centres and the 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 2023 emissions and recalculate 2021 and 2022 emissions 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.

# How the Board engages stakeholders

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 Group's employees;

c) the need to foster the Group's business partnerships with suppliers, customers and others;

d) the impact of the Group's operations on the community and the environment;

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

f) the need to act fairly between members of the Group.

This year, Ten has become a certified B Corp, further formalising the Board's commitment to growing a sustainable business and will have significant positive effects on the Group and stakeholders, as further detailed on pages 38 and 39.

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

### Shareholders

- The Board ensures open and meaningful dialogue with all shareholders, treating them fairly and equally.
- Regular engagement by the CEO and CFO with market analysts and institutional shareholders through individual meetings.
- Updates on shareholder engagement and analyst commentary received, along with feedback from corporate brokers on investor perception.
- In-person, virtual, and hybrid shareholder meetings and investor events with good attendance and positive feedback.
- Ongoing commitment to a range of attendance options and informative online content.

### Members

- Member engagement is a top priority, influencing every decision within the business.
- Various channels, including content, eCRM, Ten Digital Platform, and Lifestyle Managers, are used to engage with members.
- Continuous assessment of member satisfaction and feedback, including through NPS.
- Emphasis on anticipating and influencing members' current and future lifestyle needs.

For more information about our member proposition see pages 14 to 17.

### Corporate clients

- Proactive engagement with corporate clients is crucial for business growth and revenue.
- Senior management and the corporate client services team maintain regular communication with clients.
- Detailed updates on client engagement provided to the Board by the Client Services Director.
- CEO and selected Board members regularly meet with existing and potential corporate clients to strengthen relationships.

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

### Employees

- Employees, spread globally, are integral to providing high-quality and innovative services.
- Various methods, including the OKR goal-setting framework, ensure employee feedback informs the business direction.
- Annual employee satisfaction monitoring with actionable steps reported to the Board.

For more information about our commitment to responsible business, see pages 24 to 29.

### Strategic supplier partners

- Strong relationships with strategic supplier partners contribute to delivering value to members.
- Engagement with IT, technology, payment services, and telephony providers for operational efficiencies.
- Proposition specialists leverage combined buying power to enhance service proposition.
- Updates on key strategic partners provided to the Board, along with approval of capital expenditure through a sustainable procurement process.
- Commitment to high standards and prompt invoice payment.

For more information about our supplier partnerships, see pages 14 to 17.





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 |
|---|---|---|
| Approval of the Group's budget, including the adjustments to headcount and continued investment in the Group's proprietary technology, communications, and content | Members<br>Shareholders<br>Corporate clients<br>Employees<br>Strategic supplier partners | ■ Maintain the Group's competitive advantage<br>■ Improve the member proposition and increase efficiencies through advancements in digitalisation, which drives profitability<br>■ Group cash and working capital requirements<br>Continuous collaboration with corporate clients and member feedback guides investment decisions, while employee input is considered in establishing operational budgets. |
| Appointment of a new Executive Director | Members<br>Shareholders<br>Corporate clients<br>Employees | ■ Ensure alignment with the Company's strategic goals<br>■ Assessed industry expertise and leadership qualities<br>■ Assess past roles for operational expertise<br>■ Consider collaboration and execution skills<br>■ Consider history of contributing to revenue growth<br>■ Evaluate alignment with succession planning and legal compliance<br>As part of the succession planning process, the Nomination Committee engages with shareholders and stakeholders to understand the Board's demands and determine the optimal skill mix needed. |
| Application for B Corp certification | Members<br>Shareholders<br>Corporate clients<br>Employees<br>Strategic supplier partners | ■ Align with the rising ESG priorities of Ten's existing and prospective corporate clients<br>■ Demonstrate Ten's ESG credentials to existing and prospective shareholders, members, supplier partners and other stakeholders<br>■ A competitive advantage as a leader in responsible business practices<br>■ Help attract and retain people who share Ten's values and want to further the Group's mission<br>The Board engaged institutional shareholders, corporate clients, employees, and supplier partners throughout the B Corp application process, receiving overwhelming support. Shareholders voted in favour of amending Ten's Articles to prepare for certification. |
| The ESG Working Group's recommendations, including the expansion of the Group's TCFD and SECR monitoring and climate transition planning | Members<br>Shareholders<br>Corporate clients<br>Employees<br>Strategic supplier partners<br>Environment | ■ Drive the Group towards its ambition to reduce its direct and indirect impacts on the environment<br>■ Communicate to investors how we manage the challenges and opportunities of climate change<br>■ Identify risks and opportunities likely to arise as a result of global warming<br>■ Regulatory and environmental compliance<br>The ESG Working Group engages institutional shareholders when assessing resources to monitor and plan for climate changes, considering potential effects on employees and other stakeholders. |
| Invoice financing facility and other debt | Shareholders<br>Corporate clients | ■ Group cash and working capital requirements<br>■ Operational requirements of expanding existing and launching new corporate client programmes<br>■ Legal and compliance requirements for related party transactions<br>■ Whether the terms of the related party loan were fair and reasonable as far as the shareholders were concerned<br>The Audit and Risk Committee, along with the Board, closely oversees the Group's financial performance against forecasts and prudently manages working capital to ensure robust financial management for stakeholders' benefit. |

# Managing our risk

The Board considers the risks set out below to be the principal risks to the Group's business. The risks facing the Group are monitored and mitigated using a risk management and internal control framework, as further described on page 59 of the Corporate Governance Statement and page 61 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 strategies | Change in 2023 |
|---|---|---|
| **Finance/macroeconomic** | | |
| **Financial resources** | | |
| Financial Management: Risk of hindering future growth due to inadequate financial management.<br>Cost Escalation or Revenue Reduction: Threat of reduced profitability and insufficient cash reserves.<br>Working Capital Shortfall: Potential cash inadequacy to meet crucial working capital requirements.<br>Incorrect Tax Payments: Risk of penalties due to inaccuracies in tax payments.<br>Foreign Exchange Exposure: Vulnerability to losses from currency fluctuations.<br>Control Failure or Fraud: Risks associated with potential financial losses due to control failures or fraudulent activities. | Robust Financial Planning: The Group's adept finance team oversees a responsive financial planning process, facilitating accurate forecasts of ongoing liquidity requirements.<br>Prudent Cash Management: Implementation of prudent cash management, including securing debt, to sustain working capital requirements.<br>External Professional Expertise: Utilisation of external professional expertise for tax and other specialised areas to ensure accuracy and compliance.<br>Robust Financial Systems: Deployment of robust financial systems to strengthen controls and reporting, allowing for continual review and oversight.<br>Foreign Currency Monitoring: Active monitoring of foreign currency sensitivities and leveraging natural hedging strategies to mitigate risks associated with currency fluctuations. | Debt Increased to Support Working Capital: The Group raised additional debt to fund working capital cash flow requirements.<br>Invoice Financing Facility Initiated: An invoice financing facility was established with the Group's bank during the period.<br>Enhancement of Back-Office Functions: Financial and other back-office functions were developed, coupled with the implementation of advanced financial systems to augment capacity.<br>Control Framework Strengthened: Ongoing efforts to review and enhance the control framework included the establishment of standard operating procedures. |
| **Global events, and global economic and political factors** | | |
| External Event Risks: The re-emergence of travel restrictions, the ongoing war in Ukraine, the Israel-Hamas war, and other geopolitical events pose potential threats to member activity and revenue. Vigilance and adaptive strategies are crucial to navigate uncertainties arising from these external factors.<br>Economic Downturn and Inflation: A general economic downturn and the cost-of-living crisis, marked by inflation, introduce challenges. Proactive measures, such as robust financial planning and cost management, are essential to mitigate the impact of economic uncertainties on the organisation's financial health. | Flexibility and Tailoring: Ten adapts working practices and member propositions to lifestyle needs and corporate client demands, effectively managing demand and revenue in challenging scenarios.<br>Leadership Oversight and Responsive Pricing: The Senior Leadership Team and the Board vigilantly monitor regional macroeconomic changes, adjusting pricing structures to navigate the evolving economic environment and external cost pressures. | Business Resilience and Adaptability: Despite minimal impact from COVID-19 this year, the business maintains preparedness to adapt to potential effects of geopolitical events.<br>Inflation and Cost Challenges: Rising regional inflation and cost of living pressures have escalated operational costs, prompting necessary price adjustments with corporate clients throughout the year. The business demonstrates adaptability in response to economic challenges to maintain operational stability. |





| Description | Mitigation strategies | Change in 2023 |
|---|---|---|
| **Finance/macroeconomic** continued | | |
| **Regulatory and compliance** | | |
| Compliance With Diverse regulations: The business faces potential risks related to non-compliance with a range of regulatory standards, encompassing travel, data protection, privacy, employment law, tax, financial regulations, and consumer law.<br>Consequences of Non-Compliance: Non-compliance may result in potential fines, penalties, or legal proceedings, posing financial and operational risks.<br>Internal Policy Adherence: Failure to comply with internal policies and procedures poses a risk of financial losses and operational disruptions.<br>Reputational Impact: Regulatory breaches carry the risk of adverse publicity, potentially impacting revenue growth and profitability as customers and stakeholders may react negatively to perceived non-compliance. | Comprehensive Oversight: Legal, compliance, finance, and HR teams closely monitor industry-specific and local regulations, seeking external advice as needed.<br>Data Protection Priority: The Group maintains robust GDPR compliance procedures, ensuring the protection of sensitive data.<br>Policy Adherence and Training: Group policies are consistently upheld, with ongoing training to foster a culture of compliance.<br>Proactive Client Audits: Regular client, PCI DSS and SOC Type 2 audits ensure business practices align with regulatory and contractual obligations. | Stable Global Footprint: The Group's global footprint remained largely unchanged throughout the period.<br>Compliance: No compliance breaches were identified in 2023, indicating a commitment to maintaining regulatory standards.<br>Enhanced Data Privacy Measures: Data privacy arrangements were updated, with revisions to the Group's Data Processing Agreements and International Data Transfer Agreements, showcasing a proactive approach to safeguarding data. |
| **Environment, Social and Governance (ESG)** | | |
| ESG Ambitions: Failure to meet ESG ambitions may impact the Group's growth and reputation.<br>Climatic Risks: Climatic risks, such as natural disasters and changes in legal frameworks, pose challenges to supply chains and member behaviours. | ESG Working Group Leadership: The ESG Working Group, reporting to the Board, and the Audit and Risk Committee, formulates and implements the Group's Sustainable Business Strategy, emphasising transparency and positive operational changes.<br>B Corp Certification: The Group applied for B Corp certification to formalise its commitment to sustainable business practices and align with rising ESG priorities. | B Corp Certification: The Group successfully secured B Corp certification, affirming its commitment to sustainable business practices.<br>Global DEI Programme Expansion: The Global Diversity, Equity, and Inclusion Council expanded its DEI Programme, reflecting a commitment to fostering diversity, equity, and inclusion.<br>Enhanced Monitoring and Disclosure: The Group enhanced monitoring and disclosure of DEI and carbon emissions, showcasing a dedication to transparency and accountability.<br>Reduced Energy Usage and Carbon Emissions: The Group achieved a reduction in the ratio of energy usage and carbon emissions per total £m of Net Revenue, demonstrating progress towards environmental sustainability goals. |

| Description | Mitigation strategies | Change in 2023 |
|---|---|---|
| **OPERATIONAL** | | |
| **Recruitment and retention of talent** | | |
| People-Related Risks: Failure to manage people-related risks, potentially leading to a loss of organisational culture and causing operational or strategic disruptions. The Group's success hinges on retaining talent, requiring ongoing efforts to attract, motivate, develop, and retain skilled employees. | Competitive Compensation: Regular reviews of salaries, bonuses, and share options to ensure fair compensation for staff.<br><br>Flexible Working: Continued provision of flexible working arrangements where appropriate.<br><br>Employee Satisfaction Focus: Ongoing monitoring of annual employee satisfaction with proactive measures to address concerns and dissatisfaction.<br><br>Staff Development Emphasis: Sustained focus on staff development, exemplified by the Group's Global Leadership Programme. | Salary Pressures From Regional Inflation: Increased salary pressures due to regional wage inflation and competitive recruitment markets.<br><br>Management Succession and Development: Augmented emphasis on management succession planning and development initiatives.<br><br>Global Leadership Programme: Graduates from the Group's Global Leadership Programme achieving promotions and taking on mentorship roles.<br><br>Expansion of DEI Programme: Expansion of the Group's Diversity, Equity, and Inclusion (DEI) Programme to foster inclusion and ensure equality of opportunity. |
| **Corporate clients and competition** | | |
| Corporate Contracts: Most of the Group's Net Revenue is derived from contracts with corporate clients. Failure to secure, renew, or comply with contract terms could impact revenue and profitability.<br><br>Optimising Operational Efficiency and Price Alignment: Operational inefficiencies or price misalignment may affect contract profitability and lead to client loss. | Strong Sales Pipeline: The Group maintains a robust sales pipeline to ensure a steady influx of new contracts.<br><br>Client Engagement and Data-Driven Monitoring: The corporate client services team engages with key contacts daily, delivering data-driven reporting to monitor compliance with service levels and demonstrate the return on investment.<br><br>Regular Pricing and Commercial Term Reviews: Ongoing reviews of pricing and other commercial terms to maintain competitiveness.<br><br>Competitive Advantage Through Ten Digital Platform: The Group sustains a competitive edge through its market-leading Ten Digital Platform. | Contract Retention and Acquisition: The Group successfully retained all Material Contracts up for renewal and secured four new Material Contracts.<br><br>Client Confidence: Confidence of both existing and new corporate clients has returned, signalling continued recovery from the effects of COVID-19.<br><br>Strategic Price Adjustments: Some agreed-upon price increases with corporate clients, driven by the perceived value of services and a robust competitive position. |
| **Supplier partners** | | |
| Supplier Partnerships: The Group relies on supplier partners for critical business services and goods. Risks include challenges in managing cost pressures in the supply chain and potential service disruptions due to underperforming suppliers. | Robust Commercial Relations: The Group maintains strong commercial and contractual relations with critical supplier partners.<br><br>Alternative Supplier Planning: The business has a clear understanding of alternative supplier options in the market, and a tested recovery protocol is in place for potential disruptions.<br><br>Due Diligence Checks: Initial and regular due diligence checks are conducted on key supplier partners, assessing creditworthiness and ensuring compliance with contracts and regulations.<br><br>Supplier Code of Conduct: Expansion of the Supplier Code of Conduct establishes minimum standards and transparency expectations from key supplier partners. | Strategic Partnerships: New strategic partnerships were formed with hotel, ticketing, restaurant, and travel suppliers to enhance Ten's member proposition.<br><br>Technology Provider Reviews: Reviews were conducted on key technology, IT, and cloud providers to ensure their continued reliability and performance.<br><br>Expansion of the Supplier Code of Conduct: The expansion of the Supplier Code of Conduct was initiated, outlining updated standards and transparency expectations from key supplier partners. |





| Description | Mitigation strategies | Change in 2023 |
|---|---|---|
| **TECHNOLOGY** | | |
| **Digital strategy management and changes** | | |
| Digital Imperative: The Group's market share and competitive advantage heavily depend on its digital strategy, particularly the performance of the proprietary Ten Digital Platform, TenMAID, and other digital elements. Failure or underperformance could lead to operational disruption, regulatory fines, and contractual risks. | Continuous Digital Strategy Investment: Sustained investment in the Group's digital strategy to ensure future business performance.<br><br>Board Commitment to IT Investment: The Board exhibits ongoing commitment to IT investment, reinforcing operational efficiency and data management while enhancing cybersecurity defences.<br><br>Robust Back-Up and Recovery Protocols: Implementation of robust back-up and recovery processes and procedures to minimise service disruption risks. | Substantial Digital Investment: £13.9m (2022: £13.6m) was invested in proprietary digital platforms, communications, and technologies, emphasising the Group's commitment to digital advancement.<br><br>Ten Digital Platform Expansion: The Ten Digital Platform is now live with over 50 corporate client brands globally, showcasing a significant expansion from the previous year.<br><br>Continuous Platform Improvements: Key improvements were developed for the Ten Digital Platform, enhancing its capabilities and ensuring continued relevance in the market. |
| **Data security and cybersecurity management** | | |
| Data Security and Resilience: Failure to provide a resilient platform or prevent data loss due to security threats poses significant operational and contractual risks. The digitalisation of services requires robust safeguards to protect member data and comply with privacy regulations, including GDPR.<br><br>New Technologies: Utilising new technologies, including AI, may introduce new risks, as the increased complexity and interconnectedness of AI systems may expose vulnerabilities, leading to potential data breaches, unauthorised access, and compromise of sensitive information. | Investment In Security Software and Processes: Continuous investment in "best-in-class" security software and processes, including external penetration testing, endorsed by the Board.<br><br>Employee Security Training: Regular security training for employees to enhance awareness and response capabilities.<br><br>PCI DSS and SOC Type 2 Compliance: The Group maintains Payment Card Industry Data Security Standard Level 1 (PCI DSS) certification and SOC Type 2 compliance.<br><br>Audits and Penetration Testing: Annual PCI DSS and SOC Type 2 audits, along with penetration tests by independent external auditors, supplement internal checks and those conducted by corporate clients. | Evolving Cybersecurity Landscape: Despite ongoing mitigation efforts, the general risk of cybersecurity attacks across companies has increased.<br><br>No Major Cyber Incidents: No major cyber incidents were reported during the year, indicating the effectiveness of cybersecurity measures.<br><br>Retention of Accreditation and certification: The Group retained its PCI DSS Level 1 accreditation and SOC Type 2 certification, reinforcing its commitment to data security and compliance. |

## Financial Review

**Alan Donald**
Chief Financial Officer

# Strong growth during the year has delivered record Net Revenues, Profits and Operating Cashflow

Net Revenue

**£63.0m**

+35%

(2022: £46.8m)

Adjusted EBITDA

**£12.0m**

+145%

(2022: £4.9m)





"Net Revenue increased by 35% to £63.0m. The growth in Net Revenue has been driven by strong growth in both corporate revenue and supplier revenue.

Record Adjusted EBITDA profitability at £12.0m, delivering an inflexion point for the business as we made our maiden profit before tax of £0.9m since IPO in November 2017.

As a result, the Adjusted EBITDA margin increased to 19.1% and the operating cashflow of the Group increased to £11.5m."

| | 2023 £m | 2022 £m |
|---|---|---|
| Revenue | **66.7** | 48.7 |
| Corporate revenue | **55.6** | 41.1 |
| Supplier revenue | **7.4** | 5.7 |
| **Net Revenue** | **63.0** | 46.8 |
| Operating expenses and other income | **(51.0)** | (41.9) |
| **Adjusted EBITDA** | **12.0** | 4.9 |
| Adjusted EBITDA % | **19.1%** | 10.4% |
| Depreciation | **(2.9)** | (2.7) |
| Amortisation | **(5.3)** | (4.6) |
| Share-based payments | **(0.9)** | (0.5) |
| Exceptional items charge | **(1.1)** | (0.8) |
| **Operating profit/(loss) before interest and tax** | **1.8** | (3.7) |
| Net finance expense and foreign exchange | **(0.9)** | (0.1) |
| **Profit/(loss) before taxation** | **0.9** | (3.8) |
| Taxation credit/(expense) | **3.6** | (0.5) |
| **Profit/(loss) for the period** | **4.5** | (4.3) |
| Profit/(loss) after tax % | **6.7%** | (8.8%) |
| **Net cash** | **3.7** | 3.2 |

### Adjusted EBITDA

Adjusted EBITDA is not a statutory measure; however, 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 and related taxes.

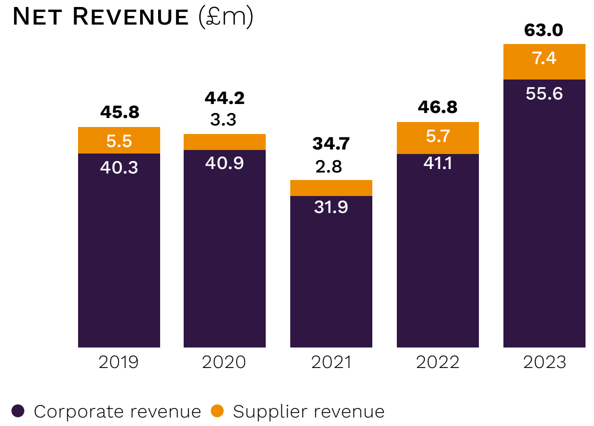
### Revenue and Net Revenue

Revenue for the twelve months to 31 August 2023 was £66.7m, up 37% on the twelve months to 31 August 2022 (2022: £48.7m). Net Revenue[13] for the twelve months to 31 August 2023 was £63.0m, up 35% compared to the prior year (2022: £46.8m), 29% at constant currency. Net Revenue, which includes the direct cost of sales relating to member transactions managed by the Group, is Ten's preferred measure of revenue as it includes 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 record active member numbers and requests which have helped to grow both corporate revenue and supplier revenue to its highest levels.

The graph below provides a five-year history of Net Revenue. This highlights the strong growth over the past two years post the impact of the pandemic in 2020 and 2021.

Net Revenue (£m)



# Financial Review continued

## Contract analysis

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

| Contract by size | 2023 | 2022 | Change |
|---|---|---|---|
| Extra Large | **3** | 3 | — |
| Large | **6** | 6 | — |
| Medium | **19** | 19 | — |
| | **28** | 28 | — |

| Contract by region | 2023 | 2022 | Change |
|---|---|---|---|
| Europe | **10** | 10 | — |
| Americas | **11** | 11 | — |
| AMEA | **6** | 6 | — |
| Global | **1** | 1 | — |
| | **28** | 28 | — |

The Group has retained all material contracts in the year which has helped to generate record revenues in the year. Although the number of Material Contracts have not increased during the period, a number of new mandates won have augmented existing Material Contracts, including the expansion of a digitally enabled concierge programme in the Americas for premium customers.

## 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.

In the year, we have changed the regional structure to align to the operational management of the Group with Middle East and Africa moving from EMEA to Asia. This has created two new regions: Europe, and Asia Middle East and Africa (AMEA). Prior year figures have been restated to reflect this change.

| Net Revenue | 2023 £m | 2022 £m | % change |
|---|---|---|---|
| Europe | **25.9** | 20.6 | 26% |
| Americas | **25.8** | 16.5 | 56% |
| AMEA | **11.3** | 9.7 | 16% |
| | **63.0** | 46.8 | 35% |

In Europe, Net Revenue increased by 26%. The Group has continued to drive growth in existing corporate contracts through strong member proposition and offers. This has led to record levels of revenue being generated from these relationships. Member activity has also reached record levels which has driven growth in supplier revenue in the region.

Americas Net Revenue grew significantly in the year, an increase of 56%. The growth in this region was driven by increased member activity across the region as the Group benefited from the full year trading of contracts launched just prior to the impact of the pandemic and expansions secured during the period.

In AMEA, Net Revenue grew by 16%, lower than other regions as pandemic restrictions took longer to be lifted at the start of the financial year.

## Operating expenses and other income

Operating expenses and other income increased by £9.1m to £51.0m, an increase of 22% (2022: £41.9m). The increase in cost was principally driven by additional headcount required to service the uplift in activity across the business. Average number of employees in the year has grown by 13% to 1,244 (2022: 1,101). The lower increase in Operating expenses and headcount versus Net Revenue growth is driven by improved operational efficiencies across the Group.

## Regional Adjusted EBITDA

As a result of our Net Revenue growth and delivering on operational efficiencies, Adjusted EBITDA has increased by £7.1m to £12.0m (2022: £4.9m), £11.1m at constant currency. Adjusted EBITDA is after expenses, other than depreciation of £2.9m (2022: £2.7m), amortisation of £5.3m (2022: £4.6m), exceptional items expenses of £1.1m (2022: £0.8m) and share-based payments of £0.9m (2022: £0.5m).

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 | 2023 £m | 2022 £m | Change £m |
|---|---|---|---|
| Europe | **9.2** | 4.9 | 4.3 |
| Americas | **1.9** | (0.7) | 2.6 |
| AMEA | **0.9** | 0.7 | 0.2 |
| | **12.0** | 4.9 | 7.1 |

The above regional split has taken account of the new regional structure introduced this year to align to our operational management structure as previously explained.

### Europe

Adjusted EBITDA of £9.2m (2022: £4.9m) is an increase year on year of £4.3m. The increase in profitability was driven by the strong growth in both corporate revenue and supplier revenue, whilst supported by efficiencies gained in the operating costs of the segment. The segment benefited from hiring which had taken place in the previous year allowing the headcount to grow by only 8% whilst driving Adjusted EBITDA growth by 88%.

### Americas

The Americas region achieved an Adjusted EBITDA profit of £1.9m (2022: loss £0.7m). The growth in Adjusted EBITDA was the result of the success of the investments made to grow the business across the region. The region has now benefited from a full year of trading on contracts launched in the prior year, whilst continuing to invest in the operations to support future potential contract wins.





### AMEA

The AMEA region Adjusted EBITDA grew to £0.9m (2022: £0.7m). The region has benefited from the ending of travel restrictions during the year, which has driven the majority of the EBITDA growth.

## Amortisation

Amortisation costs, relating to the internal platform (TenMAID) and the member-facing platforms, were £5.3m in 2023 (2022: £4.6m), 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 £0.9m (2022: £0.1m); the expense included loan interest of £0.4m (2022: £0.1m), IFRS 16 lease interest expense of £0.2m (2022: £0.2m) as well as foreign exchange losses on the translation of inter-company balances in the year of £0.2m (2022: gain of £0.2m).

## Share-based payments

The share-based payments expense in the year was £0.9m (2022: £0.5m). These related to share-based payments expense reflecting share grants made under management incentive plans as well as the associated national insurance expenses.

## Exceptional items expense

The exceptional items expense was £1.1m (2022: £0.8m). The expenses incurred principally related to a one-off restructuring program during the year to drive further operational efficiencies including rationalisation of roles in our senior leadership team and regional management teams. In addition, further costs were incurred relating to the closure of our Russian operation last year plus an historic overseas tax charge relating to 2019.

## Profit before tax (PBT)

The Group has made its first annual PBT since listing, achieving a PBT of £0.9m compared to a loss before tax of £3.8m in 2022.

## Deferred Tax and Taxation

The Group has previously not recognised any deferred tax asset associated to historical losses within the Group due to the loss-making position of the Group. In the current period, the Group's PBT is £0.9m. The generation of profits indicates that the Group can generate future taxable profits allowing it to utilise historical tax losses. Based on current forecasts, there are sufficient probable future profits to recognise a deferred tax asset relating to historical losses of £5.3m, primarily driven by the UK entity (£4.2m).

The taxation expense for the year was a tax credit of £3.6m (2022: tax expense of £0.5m). The tax credit for the year was the result of the recognition of deferred tax assets related to historical losses of £5.3m (2022: £nil), offset by timing differences on deferred tax of £1.0m (2022: £nil) and current year foreign taxes net of prior year adjustments of £0.7m (2022: £0.5m).

## Earnings per share (basic, diluted, and underlying)

The profit after tax for the year was £4.5m (2022: loss £4.3 m), resulting in a basic profit per share (excluding treasury shares) of 5.4p (2022: loss per share of 5.2p) and diluted profit per share of 5.2p (2022: loss per share of 5.2p). Diluted earnings per share is calculated as per IAS 33 by adjusting the weighted average number of ordinary shares outstanding for the dilutive effect of "in the money" share options.

Basic underlying earnings per share of 0.4p (2022 (4.2p)) and diluted underlying earnings per share of 0.4p (2022 (4.2p)).

Underlying earnings per share is calculated by adjusting the profit / (loss) attributable to equity shareholders for exceptional items of £1.1m (2022: £0.8m) along with deferred tax arising from the recognition of historical losses of £5.3m (2022: £nil). No changes are made to the weighted average number of ordinary shares. The Board does not recommend the payment of a dividend.

## Group cash flow

| | 2023 £m | 2022 £m |
|---|---|---|
| **Profit/(loss) before tax** | **0.9** | (3.8) |
| Net finance expense | **0.9** | 0.1 |
| Working capital changes | **0.4** | (0.1) |
| Non-cash items (share-based payments, depreciation and amortisation charges, exceptional items) | **9.3** | 8.6 |
| **Operating cash flow** | **11.5** | 4.8 |
| Capital expenditure | **(0.5)** | (0.9) |
| Investment in intangibles | **(7.3)** | (6.4) |
| Taxation paid | **(0.8)** | (0.6) |
| **Cash inflow/(outflow)** | **2.9** | (3.1) |
| **Cash flows from financing activities** | | |
| Sale of treasury shares | **0.1** | 0.5 |
| Issue of shares | **0.6** | 1.4 |
| Loan receipts >1 year | **1.2** | 3.4 |
| Invoice financing facility | **0.1** | — |
| Repayment of leases and net interest | **(3.2)** | (2.7) |
| **Net cash (used by)/generated from financing activities** | **(1.2)** | 2.6 |
| Foreign currency movements | **(0.1)** | 0.4 |
| **Net increase/(decrease) in cash and cash equivalents** | **1.6** | (0.1) |
| **Cash and cash equivalents** | **8.2** | 6.6 |
| **Net cash** | **3.7** | 3.2 |

### Group cash flow continued

Cash generated from operations increased by £6.7m (140%) to £11.5m (2022: £4.8m). Non-cash items in the year of £9.3m (2022: £8.6m) were substantially made up of depreciation of £2.9m and amortisation charges of £5.3m for the year.

The expenditure that was capitalised on IT equipment and infrastructure, the Ten Digital Platform and TenMAID totalled £7.8m (2022: £7.3m) as we continued to invest in our technology.

Net cash from financing activities was primarily due to loan receipts of £1.2m (2022: £3.4m), receipts from the issue of equity of £0.6m (2022: £1.4m), offset by IFRS 16 lease payments and interest of £3.2m (2022: £2.7m). This has led to an overall increase in cash and cash equivalents of £1.6m during the year with Net cash at £3.7m (2022: £3.2m), an increase of £0.5m.

The additional loan receipts of £1.2m are repayable in August 2025. The loans are guaranteed by Ten Lifestyle Group Plc. 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.

### Group balance sheet

| | 2023 £m | 2022 £m |
|---|---|---|
| Intangible assets | **15.4** | 13.4 |
| Property, plant and equipment | **0.9** | 0.9 |
| Right-of-use assets | **1.9** | 2.2 |
| Deferred tax asset | **4.3** | — |
| Cash | **8.2** | 6.6 |
| Other current assets | **12.1** | 10.1 |
| Current lease liabilities | **(1.7)** | (1.8) |
| Current liabilities | **(20.9)** | (17.3) |
| Short-term borrowings | **(1.6)** | (1.5) |
| Non-current lease liabilities | **(0.4)** | (0.9) |
| Long-term borrowings | **(3.0)** | (1.9) |
| **Net assets** | **15.4** | 9.8 |
| Share capital/share premium | **31.4** | 30.7 |
| Reserves | **(16.2)** | (20.9) |
| **Total equity** | **15.2** | 9.8 |

Net assets were £15.2m (2022: £9.8m). The increase in the year was driven by increased profitability in addition to the recognition of a deferred tax asset of £4.3m. This is made up of the £5.3m recognition of historical losses offset by utilisation of deferred tax of £0.3m in the year, and recognition of in other temporary differences of £0.7m. The Group has also continued to invest in its digital platforms, driving the increase in intangible assets. This was offset by the increase in long-term borrowing arrangements.

### 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:

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Net Revenue (£m) | **63.0** | 46.8 | 34.7 | 44.2 |
| Corporate (£m) | **55.6** | 41.1 | 31.9 | 40.9 |
| Supplier (£m) | **7.4** | 5.7 | 2.8 | 3.3 |
| Net Revenue growth % | **35%** | 35% | -21.6% | -3.5% |
| Adjusted EBITDA | **12.0** | 4.9 | 4.4 | 4.8 |
| Adjusted EBITDA Margin % | **19.1%** | 10.4% | 12.8% | 10.8% |
| Net cash (£m) | **3.7** | 3.2 | 6.7 | 10.0 |
| Material Contracts | **28** | 28 | 24 | 23 |

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 pages 22 and 23, sales performance, corporate client development, technology updates. The Group's performance has strengthened since being previously impacted by COVID-19, achieving records across several its KFPIs.





### 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 2024 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:

- Announced the further expansion of an existing contract with a financial services client in the Americas, which will now increase from a Medium to a Large contract and announced a new contract win with a global Private Bank client, anticipated to equate to a Medium contract.
- Raised a further £950k of three-year loans notes, including £250k of loan notes subscribed for by Nitro Ventures Limited on 21 November 2023, which constitutes a related party transaction under the AIM Rules for Companies as Jules Pancholi, Non-Executive Chairman, is a shareholder and director of Nitro Ventures Limited. The loan notes are repayable on 25 November 2026 and are guaranteed by Ten Lifestyle Group Plc. Interest is payable quarterly in arrears in cash at 12% per annum during the term of the loan and a 1% administration fee is payable in cash at drawdown. An early repayment premium will be payable by the Company of 5% should it repay the loan notes on or before 24 November 2024 or of 3% should it repay the loan notes on or before 24 November 2025.
- The independent directors of the Company (with the exception of Jules Pancholi who is involved in the related party transaction) consider, having consulted with Singer Capital Markets Advisory LLP, the Company's nominated adviser, that the terms of Nitro Ventures Limited's subscription for loan notes is fair and reasonable insofar as shareholders are concerned.
- Extended the £1.5m loan, originally entered into in March 2022, with Mrs S Weatherill, wife of the previous Chairman Mr B Weatherill until December 2024.

**Alan Donald**
Chief Financial Officer
21 November 2023

Governance is essential to building a successful business that is sustainable for the longer term. Ten is committed to ensuring and maintaining high standards of corporate governance to enhance performance and strengthen stakeholder confidence.

## BUDGET APPROVAL AND STRATEGIC INVESTMENTS

Approval of the Group's budget, including the adjustments to headcount and continued investment in the Group's proprietary technology, communications, and content

## BOARD CHANGES

Appointment of a new Non-Executive Chairman, Non-Executive Directors and an Executive Director

## B CORP APPLICATION

Application for B Corp certification to underscore the Group's commitment to social and environmental responsibility.

## ESG STRATEGY

The ESG Working Group's recommendations, including the expansion of the Group's TCFD and SECR monitoring and climate transition planning

## WORKING CAPITAL REQUIREMENTS

Invoice financing facility and other debt

## BOARD CHANGES

### 22 FEBRUARY 2023

Victoria Carvalho, Chief Proposition Officer, assumed the role of Executive Director. Simultaneously, Sarah Hornbuckle stepped down as Executive Director, continuing in the role of Client Services Director.

### 29 JULY 2023

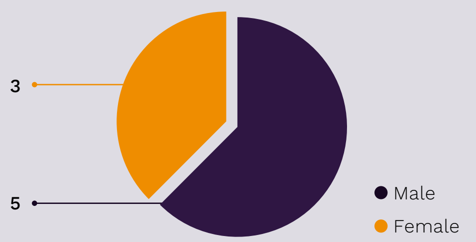
Bruce Weatherill, Non-Executive Chairman announced his intention to step down in the Autumn, due to ill health, naming Jules Pancholi as the next Chairman. Jules was appointed to the Audit and Risk Committee and Gillian Davies, Non-Executive Director was appointed to the Nomination Committee.

### 8 NOVEMBER 2023

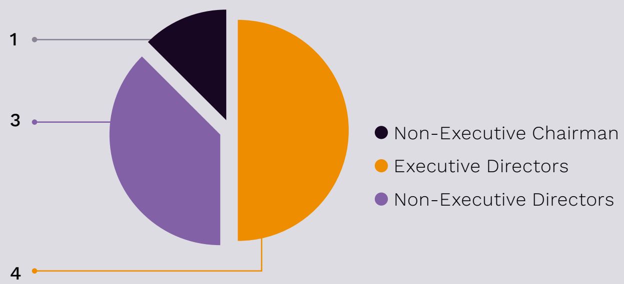
Bruce stepped down from the Board and Jules was appointed Chairman and Chair of the Nomination Committee. Gillian indicated her intention to step down from the Board at the conclusion of the AGM in February 2024. Edward Knapp and Carolyn Jameson were appointed as Non-Executive Directors. Edward was appointed to the Audit and Risk Committee and Carolyn was appointed to the Remuneration Committee.

## BOARD STRUCTURE

### GENDER




### COMPOSITION








**Jules Pancholi**
Non-Executive Chairman

# INCOMING CHAIRMAN RENEWS COMMITMENT TO CORPORATE GOVERNANCE AND MISSION

## DEAR SHAREHOLDERS

In my new capacity as Chairman, I am honoured to lead the Board in renewing our steadfast commitment to a robust corporate governance model. This commitment is not only an obligation to our valued shareholders but extends to delivering tangible benefits to all stakeholders associated with our dynamic business.

As Chairman, my primary responsibility is to guide the Board in adopting and implementing a governance model tailored to the size and complexity of our business. Effectiveness in governance is paramount, ensuring transparent communication of the business's performance to shareholders and other stakeholders. We have chosen to align with the Quoted Companies Alliance's (QCA's) Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code"), and our adherence to this framework is detailed on pages 56 and 57.

Ten's overarching mission to become the world's most trusted service platform is a collective pursuit fuelled by the shared purpose of the Board. We aspire to build a sustainable, member-focused, and pioneering business that stands out in the global landscape.

I'm delighted to announce that Ten achieved B Corp certification in May 2023, reflecting our strong commitment to social and environmental responsibility, transparency, and accountability. This achievement, a testament to our dedicated team, is set to benefit all stakeholders. As Chairman, I express gratitude to all contributors and reaffirm our unwavering dedication to our mission, strong governance, and the transformative power of this certification in driving positive change. Our journey continues with the vision to create lasting value as a B Corp.

Since the end of the period, I am thrilled to welcome Edward Knapp and Carolyn Jameson as Non-Executive Directors. Edward will also be appointed to the Audit and Risk Committee and Carolyn will be appointed to the Remuneration Committee. Their extensive expertise in technology, finance, and capital markets will undoubtedly enhance the governance of our Board, reinforcing our commitment to sound leadership and effective oversight.

**Jules Pancholi**
Non-Executive Chairman
21 November 2023

# BOARD OF DIRECTORS

### JULES PANCHOLI
Non-Executive Chairman

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 or has retired in the year from 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 and serves as Chair of the Remuneration and Nomination Committees as well as a member of the Audit and Risk Committee. On 8 November 2023 Jules was appointed as Non-Executive Chairman and Chair of the Nomination Committee.

A R N

### ALEX CHEATLE
CEO and Co-Founder

Alex co-founded Ten in 1998 and currently serves as the Chief Executive Officer (CEO) of the Group. Prior to founding Ten, Alex was a marketing manager at Procter & Gamble and holds a degree in Philosophy, Politics, and Economics from Oxford University. He guides the Group's strategy, emphasising a continual focus on service improvement. Based in London, Alex oversees the Group's global operations and is dedicated to implementing and executing its overarching strategy.

This includes day-to-day operations and the strategic vision that drives Ten's commitment to being the world's most trusted service platform. His leadership sets the tone for the Group's mission and global impact.

N

### ANDREW LONG
COO and Co-Founder

Andrew co-founded Ten in 1998 and currently serves as the Chief Operating Officer (COO) of the Group, overseeing key facets of the company's operations. His responsibilities span corporate client and account strategy, legal and compliance, programme management, as well as the management of global real estate and capital projects, including the development of operational and technological infrastructure. He is also a member of Ten's ESG Working Group.

With a background in leading a UK market-leading event production business, Andrew has been based in Singapore since 2012, where he has assumed leadership responsibilities for the AMEA region, contributing significantly to Ten's global presence and strategic growth.

### ALAN DONALD
CFO

Alan 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.





### VICTORIA CARVALHO
Chief Proposition Officer

Victoria joined Ten's Senior Leadership Team in April 2018 as Managing Director and was appointed Chief Proposition Officer in November 2022. She is responsible for Ten's Strategic Partnerships across Travel, Entertainment, Dining, Retail & Events, Ten's Content & Communications agency as well as Design, UX/UI.

Victoria is a results-orientated C-suite leader with 20+ years' experience in global, & growing dual-listed businesses including Dow Jones, Thomson Reuters and latterly Nasdaq where she was also Company Director of their International Corporate Solutions business. She has extensive experience servicing the world's leading companies in multi-sectors including Financial Services, Technology, Legal, Consumer Services, and Healthcare. Victoria has lived and worked in the financial centres of London and New York.

Victoria's expertise is in leading high-performing teams, complex global Transformational Programmes, M&A/Joint Ventures, Business Development, Product and Commercial Management, and Business Process Reengineering.

Victoria was appointed as Executive Director of the Board on 22 February 2023. She is also a member of Ten's ESG Working Group.

### GILLIAN DAVIES
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 then spent eleven years as Group Finance Director of FTSE listed 4imprint Group plc, and in 2018 became CFO of AIM listed Harwood Wealth Management Group until its sale to private equity. Gillian is Senior Non-Executive Director and Chair of the Audit Committee at Knights Group Holdings plc. She brings financial expertise as a Chartered Accountant and has substantial experience as an Executive and Non-Executive in the listed environment. Gillian was appointed as Non-Executive Director in October 2017 and serves as Chair of the Audit and Risk Committee as well as a member of the Remuneration and Nomination Committees.

A R N

### EDWARD KNAPP
Non-Executive Director

Edward is a seasoned global business leader with extensive experience in technology, growth strategy, risk management, and transformation. He has held executive roles in consultancy, high-growth technology companies and major financial institutions, including McKinsey & Company, Barclays, HSBC and Revolut. Edward's expertise spans various sectors, including financial services, consumer, telecom, public sector, and not-for-profit organisations. Edward was appointed as Non-Executive Director and member of the Audit and Risk Committee on 8 November 2023.

A

### CAROLYN JAMESON
Non-Executive Director

Carolyn has executive and non-executive international experience in technology, travel and customer experience environments. She has a proven track record as a strong business leader, adept at simplifying complexity and maintaining clarity in fast-growth and dynamic settings, including executive roles at Skyscanner and a current executive role at Trustpilot Group Plc. Her expertise extends to building trusted relationships across cultures at stakeholder, board, and investor levels and possesses skills in simplifying complexity, strategic thinking and change management in emerging and evolving areas. Carolyn was appointed as Non-Executive Director and member of the Remuneration Committee on 8 November 2023.

R

A Audit and Risk Committee

R Remuneration Committee

N Nomination Committee

Chairperson

# How We Comply with the QCA Code

| | Principle | Compliant | Explanation |
|---|---|---|---|
| **DELIVER GROWTH** | | | |
| 1 | Establish a strategy and business model which promote long-term value for shareholders | ✓ | The Group's strategy and business model are centred on delivering long-term shareholder value through a growth engine that emphasises efficiency, service quality, and value for members and corporate clients. This commitment ensures seamless operations even in challenging circumstances. The strategy consistently enhances service quality and efficiency, reinforcing the business' long-term resilience.<br>For more information see pages 12 and 13. |
| 2 | Seek to understand and meet shareholder needs and expectations | ✓ | The Board actively seeks to understand and meet shareholder needs and expectations. Regular meetings with investors, analysts, and potential investors allow for an ongoing dialogue to comprehend how the Group's strategy and the Board's decisions impact and are perceived by the investor community. Additionally, the AGM serves as a platform where all shareholders can meet Directors and pose questions, fostering transparency and engagement.<br>For more information see pages 38 and 39. |
| 3 | Take into account wider stakeholder and social responsibilities and their implications for long-term success | ✓ | The Board fulfils the requirement to consider wider stakeholder and social responsibilities for long-term success. Regular discussions are held to analyse the potential impacts of decisions and developments on Ten's main stakeholders, including members, shareholders, corporate clients, employees, strategic partners, and the environment. To ensure a strategic and comprehensive approach, Non-Executive Chairman, Jules Pancholi chairs the ESG Working Group, which actively oversees the implementation of a Sustainable Business Strategy.<br>For more information see pages 24 to 29. |
| 4 | Embed effective risk management, considering both opportunities and threats, throughout the organisation | ✓ | The Group meets the requirement to embed effective risk management, considering both opportunities and threats throughout the organisation. This involves regular reviews of existing and new risks by the Board and the Audit and Risk Committee. The communication of these risks is facilitated through reporting lines from the Senior Leadership Team. Moreover, the Group ensures that processes and control systems, managed by the Senior Leadership Team, are integrated into relevant business functions.<br>For more information see pages 40 to 43. |
| **MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK** | | | |
| 5 | Maintain the Board as a well-functioning, balanced team led by the Chairman | ✓ | The Group fulfils the requirement to maintain the Board as a well-functioning, balanced team led by the Chairman. The Board, consisting of three Non-Executive and four Executive Directors, is under the leadership of the Chairman. It continually evolves its operational approach to optimise the utilisation of Directors with extensive experience in business, travel, finance, and technology. The Board's meetings are marked by lively debate and active idea exchange, reflecting a dynamic environment where management is rigorously challenged and held accountable.<br>For more information see pages 53 to 59. |
| 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 systematically evaluated through the annual Board effectiveness review. The Nomination Committee actively participates in assessing and recommending re-appointments and succession plans, ensuring that the Directors collectively possess the essential and up-to-date expertise required for effective governance. Additionally, individual development needs of Directors are addressed through annual discussions with the Chairman, fostering continuous improvement and skill enhancement.<br>For more information see page 59 and pages 68 and 69. |





| | Principle | Compliant | Explanation |
|---|---|---|---|
| 7 | Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement | ✓ | The Chairman leads an annual evaluation of the Board's effectiveness, employing clear and pertinent objectives to assess performance comprehensively. This evaluation process identifies areas for improvement and subsequently initiates a strategic plan of actions to address these areas, fostering continuous enhancement. The Board diligently monitors year-on-year improvements, ensuring a commitment to evolving and refining its performance.<br>For more information see page 59 and pages 68 and 69. |
| 8 | Promote a corporate culture that is based on ethical values and behaviours | ✓ | The Group's cultural foundation is rooted in values of being member focused, pioneering, and trustworthy, aligning seamlessly with the Group's overarching objectives and strategy. Ethical values and behaviours are actively promoted by the Board through decision-making processes, and there is a dedicated commitment to enhancing the Group's environmental performance. To reinforce these values, the Senior Leadership Team convenes biannually for a refocusing on the Group's core values, holding itself accountable for ensuring that ethical values and behaviours are deeply ingrained throughout the organisation.<br>For more information see pages 28 and 29. |
| 9 | Maintain governance structures and processes that are fit for purpose and support good decision making by the Board | ✓ | The Board employs a strategic governance structure where specific matters are retained for direct consideration, while specialised tasks are delegated to Committees and/or members of the Senior Leadership Team. This approach ensures that the Board is furnished with pertinent and current information, facilitating well-informed decision making on behalf of the business. The governance structure is meticulously designed to be congruent with the size and intricacy of the Group, taking into account its capacity, appetite, and tolerance for risk.<br>For more information see pages 26 and 27. |
| **BUILD TRUST** | | | |
| 10 | Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders | ✓ | The Group prioritises transparent communication with shareholders, conducting regular virtual meetings with investors, analysts, and potential investors. Investor-centric information, including videos presented by the CEO, is consistently published on the Group's website. Executive Directors actively engage with the Group's employees, providing regular updates on the Group's strategy. The Senior Leadership Team, dispersed globally, plays a pivotal role in reinforcing the Group's values through continual communication.<br>For more information see pages 38 and 39. |

## Board composition and independence

The Board, accountable to shareholders, shapes the long-term success strategy and oversees the Group's management, governance, controls, risk management, direction, and performance. Monitored by the Nomination Committee, the Board ensures a dynamic blend of financial acumen, public market experience, diversity, and varied skillsets. The Board asserts its satisfaction with the composition of the Board and is confident in its ability to lead the Group. The independent Non-Executive Chairman and Non-Executive Directors maintain their independence from management, adhering to QCA Code provisions, which mandate at least two independent Non-Executive Directors on the Board.

During the period, the Board comprised of four Executive Directors, including two founders, and three Non-Executive Directors, maintaining a 43% independence ratio.

Since the end of the period, Bruce Weatherill, independent Non-Executive Chairman stepped down from the Board due to ill health. Jules Pancholi, serving Non-Executive Director succeeded Bruce as Chairman on 8 November 2023. Jules brings extensive experience in driving value creation through growth, technology and product-market fit as well as experience as a non-executive director of Skyscanner and Chair of Oritain, along with other executive and non-executive positions.

At the same time, Edward Knapp and Carolyn Jameson were appointed as independent Non-Executive Directors. Edward is a highly experienced global business leader with a background in technology, growth strategy, risk management, and transformation, having held executive roles at McKinsey & Company, Barclays, HSBC, and Revolut, and currently serving as a non-executive director of FTSE 100 F&C Investment Trust Plc. Carolyn offers substantial international executive and non-executive expertise in technology, travel, and customer experience sectors, with a strong track record as a business leader capable of simplifying complexity and maintaining clarity in fast-growing environments, including executive roles at Skyscanner and Trustpilot Group Plc.

### Board composition and independence continued

On 22 February 2023, Victoria Carvalho, Chief Proposition Officer, assumed the role of Executive Director. Joining Ten's Senior Leadership Team in April 2018 as Managing Director and progressing to Chief Proposition Officer in November 2022, Victoria brings over 20 years of strategic experience, including significant roles at Nasdaq and Thomson Reuters. Simultaneously, Sarah Hornbuckle stepped down as Executive Director, continuing in the role of Client Services Director.

### Board operation

The Board assumes responsibility for shaping, reviewing, and endorsing the Group's strategy, budgets, and corporate initiatives, as detailed in the Strategic Report on pages 4 to 23. A formal schedule, outlining matters reserved for the Board's approval, guides its operations. Board meetings convened at least eight times annually, with additional sessions as needed, ensure diligent oversight. An annual agenda, coupled with reports from the Senior Leadership Team, keeps the Board well-informed.

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). Separate reports by Committee Chairpersons are presented on pages 60 and 61 (Audit and Risk Committee), pages 62 to 67 (Remuneration Committee), and pages 68 and 69 (Nomination Committee). Jules Pancholi was appointed to the Audit and Risk Committee, and Gillian Davies joined the Nomination Committee on 29 June 2023.

The ESG Working Group, chaired by Jules Pancholi and members include Andrew Long and senior staff, reports to both the Audit and Risk Committee and the Board.

Executive Directors are full-time employees. External commitments of the Non-Executive Chairman and Directors, outlined in Board biographies on pages 54 and 55, are effectively managed within a time commitment of two to three days monthly. All members, including Non-Executive Directors, dedicate ample time to fulfilling their Group responsibilities.

### Board meetings

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

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

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

| | Board | Audit and Risk Committee | Remuneration Committee | Nomination Committee |
|---|---|---|---|---|
| **Scheduled meetings** | **5** | **4** | **2** | **2** |
| **Bruce Weatherill** | 5/5 | 3/4 | — | 2/2 |
| **Gillian Davies** | 5/5 | 4/4 | 2/2 | 1/1* |
| **Jules Pancholi** | 5/5 | 0/0* | 2/2 | 2/2 |
| **Alex Cheatle** | 4/5 | — | — | 2/2 |
| **Andrew Long** | 4/5 | — | — | — |
| **Alan Donald** | 5/5 | — | — | — |
| **Sarah Hornbuckle** | 1/1** | — | — | — |
| **Victoria Carvalho** | 4/4*** | — | — | — |

* Joined Committees on 29 June 2023.

** Retired from Board on 22 February 2023.

*** Joined Board on 22 February 2023.

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

In the role of Chairman, Bruce Weatherill conducted a comprehensive evaluation of the Board's effectiveness, employing key indicators throughout the year. The evaluation covered aspects such as clear purpose and strong leadership, a balanced blend of skills, experience, and independence among Directors, collaborative teamwork, an understanding of the business and its strategy, and effective information and engagement with stakeholders.

The Chairman concluded that the Board operated effectively, noting that the diverse skills of each Director complemented one another, contributing to the overall efficacy of the Board. As a result of the evaluation, specific actions were outlined, including an increased frequency of presentations from the Senior Leadership Team, providing in-depth insights into specific business areas.

The Chairman deemed external advice or a third-party facilitator unnecessary for refreshing the performance evaluation process in the current year. However, he expressed a willingness to reconsider this approach in the following year if deemed necessary.

### Board development

Directors remain informed and up to date on legal, regulatory, and governance aspects through regular updates provided by the Group's Nomad, Company Secretary, independent external auditor, and external advisers. This ensures the Directors' awareness and maintains the Board's adherence to current governance processes. The Company Secretary, an integral part of the Board, attends all meetings, offering advice on corporate governance matters and facilitating the smooth flow of information to and from the Board.

To keep their skills and knowledge relevant, each Director actively engages in both formal and informal methods, which may include qualified continuing professional development where applicable, memberships in leadership communities, and participation in knowledge-based networking activities. This commitment to ongoing development ensures that Directors remain well equipped to address the evolving challenges and opportunities within the business landscape.

### Engagement with stakeholders

The Board remains steadfast in its commitment to fulfilling responsibilities to diverse stakeholders, encompassing shareholders, employees, corporate clients, members, supplier partners, local communities, and the environment. Actively striving for effective engagement and fostering participation from each group, this commitment is further underscored by the achievement of B Corp certification this year. The certification enhances the formalisation of the Board's dedication to cultivating a sustainable business, with detailed positive effects elaborated on pages 24 and 37. Directors consistently exhibit mindfulness towards stakeholder needs, incorporating them into the decision-making process. A comprehensive account of the Board's engagement with different stakeholder groups is outlined in the Companies Act 2006 Section 172 Statement on pages 38 and 39.

### Risk management and internal controls

The Board holds ultimate responsibility for the Group's risk management and internal controls, entrusting the monitoring of the Group's risk and control management system framework to the Audit and Risk Committee. The appropriateness of internal controls is determined by the Board based on the Committee's recommendations. The risk and control management system framework encompasses close management of day-to-day activities, regular reviews of the risk register, an annual budgeting process, detailed monthly performance reporting, and central control over critical areas such as capital expenditure and banking facilities.

The Executives and Senior Leadership Team are accountable for the effective implementation of the risk and control management system framework within their respective business areas, fostering an embedded risk culture. Delegating responsibility for identifying, assessing, and managing climate-related risks to the Audit and Risk Committee, informed by the ESG Working Group, ensures the Group's awareness and mitigation of ESG-related risks. Periodic reviews of the internal control system align with best practices, considering the Group's size and available resources. The Board, presently, deems the introduction of an internal audit function as inappropriate but commits to periodic reviews of this decision.

### Annual General Meeting (AGM)

The Annual General Meeting of the Group will take place on 6 February 2024. 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

"I am pleased to present the report on behalf of the Audit and Risk Committee for the period ended 31 August 2023."

**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 comprised myself, Gillian Davies, who served as the Chairperson; Bruce Weatherill, Non-Executive Chairman; and Jules Pancholi, incoming Non-Executive Chairman, joined the Committee on 29 July 2023. As a Chartered Accountant, I bring extensive relevant financial experience from executive and non-executive roles within main list and AIM companies. Bruce Weatherill, formerly a partner at PwC, held a leadership position in its banking and wealth management practice globally and has wide non-executive and relevant financial experience. Jules Pancholi contributes experience from an extensive background of non-executive and executive roles.

Since the end of the period, Bruce Weatherill stepped down from the Board and the Audit and Risk Committee on 8 November 2023 and Edward Knapp, was appointed as a Non-Executive Director and member of the Audit and Risk Committee on 8 November 2023. I extend my sincere thanks to Bruce for his significant contribution to the Committee during his tenure and welcome Edward to the Committee.

Additionally, Alex Cheatle, Group CEO, Alan Donald, CFO, and other members of the finance team attend the Committee by invitation.

Throughout the year, the Committee conducted four scheduled meetings. The Chair of the Committee engages with the CFO outside of meetings and invites members of the Finance Team to present relevant information 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 invoice financing facility, 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 financial improvements
- the review of whistleblowing, modern slavery and anti-bribery arrangements
- the review and approval of the 2023 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 which impact the current year.

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

## Risk management, internal controls and internal audit

As detailed on page 59 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 40  to 43.

Ten does not 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 2023 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. 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 2024.

**Gillian Davies**
Chairperson of the Audit and Risk Committee
21 November 2023

“I am pleased to present this Remuneration Committee Report for the period ended 31 August 2023.”

**Jules Pancholi**
Chairman of the Remuneration Committee

Our people play a pivotal role in realising Ten's mission to become the most trusted service globally, and our remuneration strategy is crafted to inspire, retain, and recognise the contributions of our global workforce that drive the Group's success.

This report comprehensively outlines the Committee's responsibilities, the adopted policies, their application throughout the year, and specifics regarding Directors' remuneration arrangements.

## Members of the Committee

The Committee is composed of two 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 outside of meetings I engage with the CEO and CFO on matters relevant to the Committee. The Committee operates under the Group's agreed terms of reference which are available on the Group's website (www.tenlifestylegroup.com/investors).

Since the end of the period, Carolyn Jameson, newly appointed Non-Executive Director, was appointed as a member of the Committee on 8 November 2023.

## 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
- 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 Group's remuneration policy is crafted with the objective of attracting, motivating, retaining, and rewarding high-calibre individuals whose expertise contributes to the Group's success. To achieve this goal, we have devised a remuneration strategy that emphasises the allocation of share options under Long Term Incentive Plans, complemented by competitive salaries and pension-related benefits.

The majority of our Long-Term Incentive Plans are intricately tied to share price performance or vest upon meeting specific performance conditions, including total shareholder return (refer to page 64 for detailed information). We firmly believe that by offering Executives and key employees long-term share options, as opposed to performance-related bonuses, we synchronise remuneration with the enduring interests of our shareholders.

Salaries and pension-related benefits constitute a fitting component of fixed remuneration, providing the necessary stability to attract and retain individuals possessing the qualities, skills, and experience essential for achieving the Group's strategic objectives and generating value for our shareholders.

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

Alex Cheatle and Andrew Long 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 and Victoria Carvalho signed a service contract on her appointment in February 2023. 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 2023:

| | **Basic salary/fee £** | **Pension £** | **Options exercised £** | **2023 Total £** | Basic salary/fee £ | Pension £ | Options exercised £ | 2022 Total £ |
|---|---|---|---|---|---|---|---|---|
| **Executive** | | | | | | | | |
| Alex Cheatle | **307,000** | **9,000** | **—** | **316,000** | 299,000 | 9,000 | 84,000 | 392,000 |
| Andrew Long* | **298,000** | **—** | **—** | **298,000** | 282,000 | — | 82,000 | 364,000 |
| Alan Donald | **213,000** | **—** | **—** | **213,000** | 194,000 | — | 25,000 | 219,000 |
| Sarah Hornbuckle** | **44,000** | **2,000** | **—** | **46,000** | 95,000 | 3,000 | 17,000 | 115,000 |
| Victoria Carvalho*** | **98,000** | **3,000** | **—** | **101,000** | | | | |
| **Non-Executive** | | | | | | | | |
| Bruce Weatherill | **56,000** | **—** | **—** | **56,000** | 55,000 | — | — | 55,000 |
| Julian Pancholi | **42,000** | **—** | **—** | **42,000** | 41,000 | — | — | 41,000 |
| Gillian Davies | **42,000** | **—** | **—** | **42,000** | 41,000 | — | — | 41,000 |

* Andrew Long's gross basic salary is paid in Singapore dollars at an agreed foreign exchange rate.
** Sarah Hornbuckle ceased being a director on 22 February 2023 and this reflects her salary to this date.
*** Victoria Carvalho was appointed on 22 February 2023 and this reflects her salary from this date.

The Group has not awarded remuneration to the Directors based on share price appreciation or depreciation. The Executive Directors' remuneration for 2024 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 £ |
|---|---|---|---|
| Alex Cheatle | 311,000 | 9,000 | 320,000 |
| Andrew Long* | 302,000 | — | 302,000 |
| Alan Donald | 222,000 | — | 222,000 |
| Victoria Louise Carvalho | 166,000 | 5,000 | 171,000 |

* Andrew Long's gross basic salary is paid in Singapore dollars at an agreed foreign exchange rate.

### Management Incentive Plan

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

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

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

| Total shareholder return CAGR | % of award vesting |
|---|---|
| Less than 10% | Zero |
| 10% | 25% |
| 20% or more | 100% |
| Between 10% and 20% | Between 25% and 100% on a straight-line basis |

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

Six MIP awards have been made since IPO:

| Annual MIP award | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| Date of award | **8 Sept 2023** | 10 Aug 2022* | 21 Dec 2020 | 7 Jan 2020 | 24 June 2019** | 07 Dec 2017 |
| Vesting period | **8 Sept 2023 – 7 Dec 2025** | 10 Aug 2022 – 7 Dec 2024 | 21 Dec 2020 – 7 Dec 2023 | 7 Jan 2020 – 7 Dec 2022 | 24 June 2019 – 7 Dec 2021 | 07 Dec 2017 – 7 Dec 2020 |
| Performance period | **3 years from 23 Nov 2022** | 3 years from 24 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 (£) | **0.47** | 1.08 | 0.91 | 1.27 | 0.69*** | 1.34 |
| % of award vesting | **—** | — | — | 60% | 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.

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.

During the 2020 Performance period from 26 November 2019 to 7 December 2022, the Group's share price was significantly influenced by the macro-economic effects of Covid-19, resulting in a negative TSR for the period, which would have led to a vesting of MIP options at 0%. However, the Committee took into account the Group's performance over this period, which included retaining all Material Contracts, improving EBITDA profitability, and increasing Net Revenue, and considered the potential adverse impact of a 0% vesting on the motivation and retention of senior option holders. As a result, the Committee concluded that a 60% vesting would be appropriate, aligning with the Group's strategic objectives and the long-term interests of our shareholders.

### 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 £60,000 of shares at an exercise price no lower than the mid-market share price the day 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.





### 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), 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 £1.4m.

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. Participating 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 considered it appropriate to exclude these options from general headroom limits pursuant to the Company's share plans.

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 was extended in October 2023 to four years from the respective date of grant. The Committee believed this will enhance employee engagement and alignment with our shareholders' interests. All other terms of the options remain the same.

### 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 2023:

| | Share option scheme | Date of grant | Number of ordinary shares under option | Exercise price | Vesting period |
|---|---|---|---|---|---|
| Alex Cheatle | MIP | 24/06/2019 | 200,000 | £0.001 | 24/06/2019 – 07/12/2021 |
| | MIP | 07/01/2020 | 200,000 | £0.001 | 07/01/2020 – 07/12/2022 |
| | MIP | 21/12/2020 | 200,000 | £0.001 | 21/12/2020 – 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 – 09/07/2024 |
| | SSS | 24/11/2020 | 199,333 | £1.00 | 01/04/2020 – 02/12/2024 |
| | SSS | 24/03/2021 | 199,333 | £1.10 | 01/07/2021 – 24/03/2025 |
| | MIP | 10/08/2022 | 200,000 | £0.001 | 10/08/2022 – 07/12/2024 |
| | CSOP | 13/10/2022 | 62,500 | £0.001 | 13/10/2022 – 03/10/2025 |
| | MIP | 08/09/2023* | 200,000 | £0.001 | 08/09/2023 – 07/12/2025 |
| Andrew Long | MIP | 24/06/2019 | 100,000 | £0.001 | 24/06/2019 – 07/12/2021 |
| | MIP | 07/01/2020 | 100,000 | £0.001 | 07/01/2020 – 07/12/2022 |
| | MIP | 21/12/2020 | 100,000 | £0.001 | 21/12/2020 – 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 – 09/07/2024 |
| | SSS | 24/11/2020 | 178,660 | £1.00 | 01/04/2020 – 02/12/2024 |
| | SSS | 24/03/2021 | 173,380 | £1.10 | 01/07/2021 – 24/03/2025 |
| | MIP | 10/08/2022 | 100,000 | £0.001 | 10/08/2022 – 07/12/2024 |
| | CSOP | 13/10/2022 | 62,500 | £0.001 | 13/10/2022 – 13/10/2025 |
| | MIP | 08/09/2023* | 100,000 | £0.001 | 08/09/2023 – 07/12/2025 |

## Total Director share options continued

| | Share option scheme | Date of grant | Number of ordinary shares under option | Exercise price | Vesting period |
|---|---|---|---|---|---|
| Alan Donald | MIP | 07/01/2020 | 150,000 | £0.001 | 07/01/2020 – 07/12/2022 |
| | MIP | 21/12/2020 | 75,000 | £0.001 | 21/12/2020 – 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 – 09/07/2024 |
| | SSS | 24/11/2020 | 77,600 | £1.00 | 01/04/2020 – 02/12/2024 |
| | SSS | 24/03/2021 | 77,600 | £1.10 | 01/07/2021 – 24/03/2025 |
| | MIP | 10/08/2022 | 80,000 | £0.001 | 10/08/2022 – 07/12/2024 |
| | CSOP | 13/10/2022 | 62,500 | £0.001 | 13/10/2022 – 13/10/2025 |
| | MIP | 08/09/2023* | 80,000 | £0.001 | 08/09/2023 – 07/12/2025 |
| Victoria Carvalho | MIP | 07/01/2020 | 16,000 | £0.001 | 07/01/2020 – 07/12/2022 |
| | MIP | 21/12/2020 | 16,000 | £0.001 | 21/12/2020 – 07/12/2023 |
| | CSOP | 23/08/2019 | 25,210 | £0.89 | 23/08/2019 – 23/08/2022 |
| | SSS | 09/07/2020 | 32,000 | £1.20 | 09/07/2020 – 09/07/2024 |
| | SSS | 24/11/2020 | 42,667 | £1.00 | 01/04/2020 – 02/12/2024 |
| | SSS | 24/03/2021 | 42,667 | £1.10 | 01/07/2021 – 24/03/2025 |
| | MIP | 10/08/2022 | 16,000 | £0.001 | 10/08/2022 – 07/12/2024 |
| | CSOP | 13/10/2022 | 62,500 | £0.001 | 13/10/2022 – 13/10/2025 |
| | MIP | 08/09/2023* | 16,000 | £0.001 | 08/09/2023 – 07/12/2025 |

* Granted post end of year.

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 on 31 August 2023 had interests in the shares of the Company as shown below:

| Ordinary shares of 0.01p | 31 August 2023 | % shareholding | 31 August 2022 | % shareholding |
|---|---|---|---|---|
| **Executive** | | | | |
| Alex Cheatle | **11,185,808** | **13.18** | 11,185,808 | 13.36 |
| Andrew Long | **3,100,000** | **3.67** | 4,000,000 | 4.78 |
| Alan Donald | **125,009** | **0.15** | 125,009 | 0.15 |
| Victoria Carvalho | **88,493** | **0.11** | — | — |
| **Non-Executive** | | | | |
| Bruce Weatherill | **1,000,000** | **1.18** | 1,000,000 | 1.19 |
| Jules Pancholi | **428,664** | **0.51** | 428,664 | 0.51 |
| Gillian Davies | **50,000** | **0.06** | 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
21 November 2023

# Nomination Committee Report

"I am pleased to present the report on behalf of the Nomination Committee for the period ended 31 August 2023."

**Jules Pancholi**
Chairman of the Nomination Committee

As the newly appointed Chairman of the Nomination Committee, succeeding Bruce Weatherill who stepped down due to ill health on 8 November 2023, I express my sincere gratitude to Bruce for his dedicated service. Bruce, serving as Chairman of the Nomination Committee since IPO, established and maintained robust procedures to ensure an optimal balance of skills, experience, and independence on the Board and its Committees, aligning with the Group's evolving needs. Before stepping down, he oversaw orderly succession planning for the Board Chairmanship and the appointment of two new Non-Executive Directors, preparing the Board for the opportunities and challenges ahead.

In this new role, I am committed to maintaining the Committee's primary function of establishing and sustaining strong procedures for Board appointments, ensuring the optimal balance of skills, experience, and diversity. The Committee actively contributes recommendations to the Board concerning new appointments, the re-election of Directors, succession planning, and the overall composition of the Board, with a specific focus on the advantages of fostering diversity within the Board.

## Members of the Committee

During the year, Bruce Weatherill (Non-Executive Director), served as Chairman of the Committee, alongside me, Jules Pancholi (Non-Executive Chairman) and Alex Cheatle (Group CEO). Additionally, Gillian Davies, a Non-Executive Director, was appointed to the Committee on 29 July 2023.

Since the end of the period, I succeeded Bruce as Chairman of the Committee on 8 November 2023. The composition of the Committee ensures a comprehensive and balanced perspective in the Committee's discussions.

The Committee held two scheduled meetings 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 Nomination Committee convened twice during the period to deliberate on succession planning for the Executive and Non-Executive Board, its Committees, and other senior managers. The discussions considered the challenges and opportunities facing the Group, evaluating the requisite skills and expertise needed for future Board dynamics. Additionally, the Committee engaged in a reflective assessment of Board and senior management diversity. Recognising the Group's strides in gender diversity, the Committee explored avenues to further enhance diversity and inclusion within the organisation.





## Appointment of new Non-Executive Directors

Upon learning of Bruce's intention to step down, the Nomination Committee initiated a comprehensive search for Non-Executive Directors to complement the Board's skills and meet the evolving needs of the business. Engaging a search agency, we received over 300 applications and conducted multiple interview stages. Two candidates, Edward Knapp and Carolyn Jameson, were identified as suitable and recommended to the Board.

Edward, a seasoned global business leader, brings extensive experience in technology, growth strategy, risk management, and transformation, having held executive roles in prominent organizations such as McKinsey & Company, Barclays, HSBC, and Revolut.

Carolyn, with vast executive and non-executive international experience, excels in technology, travel, and customer experience environments, demonstrating strong leadership skills in fast-growth settings.

The Board accepted the Committee's recommendations, appointing Edward to the Audit and Risk Committee and Carolyn to the Remuneration Committee on 8 November 2023.

At the same time, Gillian Davies, Non-executive Director and Chair of the Audit Committee, expressed her intention to step down after more than a six-year tenure, effective at the conclusion of the AGM in February 2024.

## Appointment of new Chairman

Upon learning of Bruce's intention to step down, the Nomination Committee initiated a comprehensive process to select the most suitable candidate for the role of Chairman. This process involved consultations with search agencies and stakeholders.

After careful consideration of the merits of searching for external candidates, the Nomination Committee, excluding Jules, recommended to the Board the appointment of Jules Pancholi, serving as a Non-Executive Director, as the incoming Chairman.

Jules brings a wealth of experience in driving value creation through growth, technology, and product-market fit, having served in various executive and non-executive positions, including as a non-executive director of Skyscanner and Chair of Oritain. His expertise and track record made him the best choice for the position.

The Board (excluding Jules) accepted the Committee's recommendation, appointing Jules as Chairman of the Board and Nomination Committee on 8 November 2023.

## Appointment of new Executive Director

In its ongoing commitment to optimise the Board's composition, ensuring a diverse and skilled leadership team, the Committee recommended the appointment of Victoria Carvalho as Executive Director.

As the Chief Proposition Officer since November 2022 and a vital member of the Senior Leadership Team since April 2018, Victoria's strategic expertise in operational growth has significantly contributed to shaping Ten's unique proposition. With over 20 years of experience, including key roles at Nasdaq and Thomson Reuters, she brings valuable insights to the Board.

The Board accepted the Committee's recommendation, appointing Victoria as Executive Director on 22 February 2023.

At the same time, Sarah Hornbuckle stepped down as Executive Director, continuing in the role of Client Services Director.

**Jules Pancholi**
Chairman of the Nomination Committee
21 November 2023

# The Directors present their annual report and financial statements for the year ended 31 August 2023

### 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
Andrew Long
Alan Donald
Bruce Weatherill (resigned 8 November 2023)
Jules Pancholi
Gillian Davies
Sarah Hornbuckle (resigned 22 February 2023)
Victoria Carvalho (appointed 22 February 2023)
Edward Knapp (appointed 8 November 2023)
Carolyn Jameson (appointed 8 November 2023)

### Financial risk management objectives and policies
Further detailed commentary on financial risk management is included in note 31.

### 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 as well as through short-term lending through the invoice financing facility.

### 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 2023, a provision of £0.4m (2022: £0.3m) 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 17).

### Trading review and future developments
The review of trading, future developments and key performance indicators can be found in the Strategic report.

### Substantial shareholders
As of 31 August 2023, 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 | 13.33 |
| Canaccord Genuity Wealth Management | 11,099,831 | 13.23 |
| Credit Saison Co. Ltd. | 6,470,000 | 7.71 |
| Lombard Odier Investment Managers | 6,337,384 | 7.55 |
| Soros Fund Management | 4,792,785 | 5.71 |
| Andrew Long | 3,100,000 | 3.67 |
| Herald Investment Management | 2,680,000 | 3.19 |

### Purchase of own shares
During the period, the Company made purchase of own shares of £280k (2022: £nil). The Employee Benefit Trust made distributions of £379k (2022: £508k). On 4 July 2023, 400,000 options held by the Ten Employee Benefit Trust with an exercise price of £0.7 were exercised, with the resulting shares sold on the same day at a price of £0.95 per share.

### Corporate governance
The Company has adopted and complies with the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies ("QCA Code") as set out on pages 56 and 57.

### Dividends
No ordinary dividends were paid (2022: £nil). The Directors do not recommend payment of a final dividend.





### Share option schemes
Details of employee share schemes are set out in note 29 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
- 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 announced the following material contract expansions and new business wins:

- An existing financial services client in the Americas has upscaled their contract with Ten following high member engagement rates and utilization. This expansion, which will now increase from a Medium to a Large contract, is expected to begin generating additional revenue from March 2024.
- Ten has entered into a contract with a new global Private Bank client with customers across AMEA for our digitally enabled travel and lifestyle service. This service is expected to be launched across multiple markets in the region during the first half of the calendar year 2024. Once fully launched, this client is anticipated to equate to a Medium contract.

In addition, the Group has:

- Raised a further £950k of three-year loans notes, including £250k of loan notes subscribed for by Nitro Ventures Limited on 21 November 2023, which constitutes a related party transaction under the AIM Rules for Companies as Jules Pancholi, Non-Executive Chairman, is a shareholder and director of Nitro Ventures Limited. The loan notes are repayable on 25 November 2026 and are guaranteed by Ten Lifestyle Group Plc. Interest is payable quarterly in arrears in cash at 12% per annum during the term of the loan and a 1% administration fee is payable in cash at drawdown. An early repayment premium will be payable by the Company of 5% should it repay the loan notes on or before 24 November 2024 or of 3% should it repay the loan notes on or before 24 November 2025.
- Extended the £1.5m loan, originally entered into in March 2022, with Mrs S Weatherill, wife of the previous Chairman Mr B Weatherill until December 2024.

### 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 21 November 2023.

**Alan Donald**
Chief Financial Officer
21 November 2023

# 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 2023 and of the Group's profit 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 2023 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[16] | 88% (2022: 86%) of Group Net revenue<br>86% (2022: 85%) of Group total assets | | |
| | | 2022 | 2021 |
| Key audit matters | Intangible Assets: Development costs and amortisation | ✓ | ✓ |
| | Going Concern | ✓ | ✓ |
| | Recognition of deferred tax asset | ✓ | |
| | Revenue Recognition | | ✓ |
| | Revenue recognition has been removed as a Key Audit Matter in the current year based on the specific revenue streams reducing in magnitude this year. | | |
| Materiality | Group financial statements as a whole<br>£941k (2022: £460k) based on 1.5% (2022: 1%) of Group Net revenue | | |

16 These are areas which have been subject to a full scope audit by the group engagement team and specified audit procedures performed 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 eighteen trading entities and three branches based around the world.

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 five 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., Ten Lifestyle Management Africa (Pty) Ltd, Ten Servicos de Concierge do Brasil Ltd and Ten Lifestyle Management Limited S DE RL DE CV.

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

All work has been performed by the Group engagement team.





## 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 |
|---|---|---|
| **Intangible Assets: Development costs and amortisation** | | |
| Details of the Group's accounting policies applied and related disclosures are given in notes 1.6 and 17 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.<br><br>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:<br>■ We held discussions with the Group's technology team to understand the Group's processes, procedures, and projects in relation to development costs.<br>■ We considered whether the development costs capitalised met the criteria for capitalisation under the applicable accounting standards.<br>■ 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.<br>■ We 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.<br>■ We reviewed the reasonableness of the estimated proportion of time allocations for a sample of employees and contractors by making enquiries of individual employees 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.<br>■ We assessed management's estimate of amortisation period applied to the asset by considering relevant industry benchmarks.<br><br>Key observations:<br>Based on the procedures performed, we consider the assumptions and judgements made in the capitalisation of development costs and the 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.<br><br>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.<br><br>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:<br><br>Impact of the current economy reality of uncertainty and high inflation resulting in failure of existing customers to successfully renew contract in the forecast period together with high operational costs.<br><br>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:<br>▪ We 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<br>▪ 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.<br>▪ 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.<br>▪ 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.<br>▪ 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.<br>▪ 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<br><br>**Key observations:**<br>Based on the procedures performed we consider the assessment made by management to be appropriate. |





| Key audit matter | | How the scope of our audit addressed the key audit matter |
|---|---|---|
| **Deferred tax recognition** | | |
| See accounting policy in Note 1.13 and related disclosures in Note 16. | The group has recognised a deferred tax asset in respect of historic losses for the first time in the current year. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which to offset the deductible temporary differences.<br><br>We determined this to be a key audit matter as there is significant estimation required in the determination of the future taxable profits that result in a deferred tax asset recognition. | We performed the following procedures:<br>▪ We confirmed the groups initial forecasted revenue and related costs were in line with their going concern assessment.<br>▪ We assessed the judgements and assumptions made by management in deciding what determines taxable profits were in the future against current year tax adjustments and future planned changes to confirm the reasonableness of the assumptions.<br>▪ We considered whether the period over which the deferred tax asset will be recovered was reasonable based on the forecast prepared by management and the potential expiration dates of the losses<br>▪ We engaged our specialists experienced in the audit of tax to assist with the logic in the assessment, recalculation of the balance and the practical application of the forward looking tax assumptions.<br><br>**Key observations:**<br>Based on the procedures performed, we consider the estimates made in the recognition of the deferred tax asset to be appropriate. |

# Independent Auditor's Report continued
to the members of Ten Lifestyle Group Plc

## 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 | |
|---|---|---|---|---|
| | 2023<br>£ | 2022<br>£ | 2023<br>£ | 2022<br>£ |
| **Materiality** | 941,000 | 460,000 | 906,000 | 874,000 |
| **Basis for determining materiality** | 1.5% of Net Revenue | 1% of Net Revenue | 1.75% of Net asset | 1.75% of net assets |
| **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. The threshold change was due to improved trading conditions and knowledge of the group which led towards a higher materiality threshold. | | As a holding company which principally holds the investments in the group a net asset benchmark was considered appropriate. | |
| **Performance materiality** | 658,000 | 322,000 | 634,000 | 611,800 |
| **Basis for determining performance materiality** | Performance materiality was set at 70% (2022: 70%) of overall materiality. | | | |
| **Rationale for the percentage applied for performance materiality** | In reaching our conclusion on the level of performance materiality to be applied for 2023 we considered a number of factors including the expected total value of known and likely misstatements (based on past experience), our knowledge of the group's internal controls and management's attitude towards proposed adjustments. | | | |

### 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 23% and 80% (2022: 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 £216,000 to £752,000 (2022: £84,000 to £345,000). In the audit of each component, we further applied performance materiality levels of 70% (2022: 70%) 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 £47,000 (2022: £23,000). 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.

## 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 statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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:

### Non-compliance with laws and regulations

**Based on:**
- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance and the Audit and Risk Committee, and inspection of written information from external legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be UK-adopted international accounting standards, UK and international direct, indirect and employment tax legislation, AIM Listing Rules, the Companies Act 2006, and the QCA code.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety and the Bribery Act 2010 and equivalent legislation and regulation where the Group has overseas operations. In addition, changes to legislation affecting all UK companies such as tax legislation and developments can give rise to contingent or actual liabilities in the event of non-compliance.

Our procedures in respect of the above included:

# INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Ten Lifestyle Group Plc

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Evaluating recent developments in regulation for applicability to the Group's operations and determining whether any impact on the financial statements has been properly addressed by the Directors.

## FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries relating to revenue recognition and the exertion of bias in accounting estimates.

Our procedures in respect of the above included:

- Challenging the assumptions and judgements made by management in their significant accounting estimates and judgements which are disclosed on pages 80 and 81, through examination and assessment of contradictory evidence that we researched well as corroborative evidence that we researched independently as well as received from the Group;
- Identifying and testing a sample of journal entries, in particular journal entries posted with unusual account combinations primarily in revenue, to supporting documentation.
- Performing the procedures as set out in the Key Audit Matters section of our report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities 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

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 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|---|---|---|
| **Revenue** | 4 | **66,656** | 48,651 |
| Cost of sales on principal member transactions | | **(3,653)** | (1,839) |
| **Net Revenue** | 4 | **63,003** | 46,812 |
| Other cost of sales | | **(2,032)** | (1,428) |
| **Gross profit** | | **60,971** | 45,384 |
| Administrative expenses | | **(60,012)** | (49,519) |
| Other income | | **836** | 386 |
| **Operating profit before amortisation, depreciation, interest, share-based payments, exceptional items and taxation ("Adjusted EBITDA")** | | **12,004** | 4,878 |
| **Depreciation** | 18 & 19 | **(2,916)** | (2,713) |
| **Amortisation** | 17 | **(5,287)** | (4,608) |
| **Share-based payment expense** | 29 | **(908)** | (537) |
| **Exceptional items** | 5 | **(1,098)** | (769) |
| **Operating profit/(loss)** | 6 | **1,795** | (3,749) |
| Net finance expense | 13 | **(871)** | (101) |
| **Profit/(loss) before taxation** | | **924** | (3,850) |
| Taxation credit/(expense) | 14 | **3,623** | (466) |
| **Profit/(loss) for the year** | | **4,547** | (4,316) |
| **Other comprehensive (expense):** | | | |
| Foreign currency translation differences | | **(564)** | (137) |
| **Total comprehensive profit/(loss) for the year** | | **3,983** | (4,453) |
| **Basic profit/(loss) per ordinary share** | 15 | **5.4p** | (5.2)p |
| **Diluted profit/(loss) per ordinary share** | 15 | **5.2p** | (5.2)p |
| **Basic underlying profit/(loss) per ordinary share** | 15 | **0.4p** | (4.2)p |
| **Diluted underlying profit/(loss) per ordinary share** | 15 | **0.4p** | (4.2)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 2023

**COMPANY NO: 08259177**

| | Note | 2023 £'000 | 2022 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 17 | **15,394** | 13,397 |
| Property, plant and equipment | 18 | **912** | 939 |
| Right of use assets | 19 | **1,911** | 2,274 |
| Deferred tax asset | 16 | **4,297** | — |
| **Total non-current assets** | | **22,514** | 16,610 |
| **Current assets** | | | |
| Inventories | | **511** | 118 |
| Trade and other receivables | 21 | **11,608** | 9,930 |
| Cash and cash equivalents | 23 | **8,229** | 6,584 |
| **Total current assets** | | **20,348** | 16,632 |
| **Total assets** | | **42,862** | 33,242 |
| **Current liabilities** | | | |
| Trade and other payables | 24 | **(20,059)** | (16,459) |
| Provisions | 25 | **(931)** | (846) |
| Lease liabilities | 27 | **(1,738)** | (1,834) |
| Borrowings | 26 | **(1,622)** | (1,500) |
| **Total current liabilities** | | **(24,350)** | (20,639) |
| **Net current liabilities** | | **(4,002)** | (4,007) |
| **Non-current liabilities** | | | |
| Borrowings | 26 | **(2,950)** | (1,940) |
| Lease liabilities | 27 | **(399)** | (820) |
| **Total non-current liabilities** | | **(3,349)** | (2,760) |
| **Total liabilities** | | **(27,699)** | (23,399) |
| **Net assets** | | **15,163** | 9,843 |
| **Equity** | | | |
| Called up share capital | 28 | **85** | 84 |
| Share premium account | | **31,272** | 30,658 |
| Merger relief reserve | | **1,993** | 1,993 |
| Treasury reserve | | **606** | 513 |
| Foreign exchange reserve | | **(1,111)** | (547) |
| Retained deficit | | **(17,682)** | (22,858) |
| **Total equity** | | **15,163** | 9,843 |

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2023 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 2023

| | Note | Called up 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 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) |
| Issue of new share capital | | 2 | 1,302 | — | — | — | — | 1,304 |
| Shares purchased by Employee Benefit Trust (EBT) | | — | — | — | — | 508 | — | 508 |
| Equity-settled share-based payments charge | 29 | — | — | — | — | — | 537 | 537 |
| **Balance at 31 August 2022** | | 84 | 30,658 | 1,993 | (547) | 513 | (22,858) | 9,843 |
| Profit for the year | | — | — | — | — | — | 4,547 | 4,547 |
| Foreign exchange | | — | — | — | (564) | — | — | (564) |
| **Total comprehensive income for the year** | | — | — | — | (564) | — | 4,547 | 3,983 |
| Employee Benefit Trust (EBT) costs | | — | — | — | — | 93 | — | 93 |
| Equity-settled share-based payments charge | 29 | — | — | — | — | — | 629 | 629 |
| Issue of new share capital | | 1 | 614 | — | — | — | — | 615 |
| **Balance at 31 August 2023** | | **85** | **31,272** | **1,993** | **(1,111)** | **606** | **(17,682)** | **15,163** |

# Consolidated Statement of Cash Flows
for the year ended 31 August 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(loss) for the year, after tax | | **4,547** | (4,316) |
| **Adjustments for:** | | | |
| Taxation (credit)/expense | 14 | **(3,623)** | 466 |
| Net finance expense | 13 | **871** | 101 |
| Amortisation of intangible assets | 17 | **5,287** | 4,608 |
| Depreciation of property, plant and equipment | 18 | **511** | 483 |
| Depreciation of right of use asset | 19 | **2,405** | 2,230 |
| Equity-settled share-based payment expense | 29 | **629** | 537 |
| Exceptional items | 5 | **427** | 769 |
| **Movement in working capital:** | | | |
| Increase in inventories | | **(393)** | (18) |
| Increase in trade and other receivables | | **(1,222)** | (2,012) |
| Increase in trade and other payables | | **2,106** | 2,020 |
| **Cash generated from operations** | | **11,545** | 4,868 |
| Tax paid | | **(826)** | (623) |
| **Net cash generated from operating activities** | | **10,719** | 4,245 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | 17 | **(7,284)** | (6,452) |
| Purchase of property, plant and equipment | 18 | **(531)** | (866) |
| Finance income | 13 | **7** | 1 |
| **Net cash used by investing activities** | | **(7,808)** | (7,317) |
| **Cash flows from financing activities** | | | |
| Lease liability repayments | 27 | **(2,538)** | (2,427) |
| Sale of treasury shares | | **102** | 508 |
| Net receipts from invoice financing | 26 | **122** | — |
| Interest paid | | **(442)** | (73) |
| Interest paid on IFRS 16 lease liabilities | 27 | **(216)** | (185) |
| Cash receipts from issue of share capital | | **615** | 1,302 |
| Loan receipts – loan notes | | **1,185** | 3,440 |
| **Net cash (used by)/generated from by financing activities** | | **(1,172)** | 2,565 |
| Foreign currency cash and cash equivalents movements | | **(94)** | 429 |
| **Net increase/(decrease) in cash and cash equivalents** | | **1,645** | (78) |
| **Cash and cash equivalents at beginning of the period** | | **6,584** | 6,662 |
| **Cash and cash equivalents at end of the period** | | | |
| Cash at bank and in hand | | **8,229** | 6,584 |
| **Cash and cash equivalents** | | **8,229** | 6,584 |





# Notes to the Financial Statements

## 1. Accounting policies

### Company information

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

### 1.1 Basis of preparation

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

The financial information has been prepared on the historical cost basis.

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

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

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

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

### 1.2 Consolidation

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

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

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

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

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

### 1.3 Segment reporting

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

### 1.4 Going concern

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

## 1. Accounting policies continued

### 1.4 Going concern continued

Whilst the Company has grown significantly post the COVID-19 pandemic, continued management of costs is in place to ensure operating performances align to the Board's expectations. The Board believes that the business is able to navigate through any macroeconomic conditions that may impact performance due to the strength of its member proposition, its balance sheet, and the net cash position of the Group.

The Group has set its budget for 2024 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 to ensure there is adequate cash and day-to-day working capital going forward.

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

### 1.5 Revenue

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

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

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

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

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

#### Direct concierge service revenue

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

On implementing a customer contract, it is typical for the Group to charge concierge enabling fees. Where concierge enabling fees are capable of being separated out from an ongoing service contract, revenue will be recognised in full at the point in time of the launch of the service (high touch or online). When the service is not distinct, this cannot be separated from the contract and is 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.





## 1. Accounting policies continued

### 1.5 Revenue continued

#### Indirect concierge service revenue

##### Acting as agent (supplier revenue)

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

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

##### Acting as principal (supplier revenue)

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

#### Service fees and offer income

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

#### Digital platform revenue

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

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

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

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

### 1.6 Intangible assets

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

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

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

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

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

| | |
|---|---|
| Trademarks | 10 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.

The amortisation charges are included within administrative expenses is 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. Accounting policies continued

### 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 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.

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

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

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

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

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

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

### 1.11 Financial liabilities

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

### 1.12 Equity instruments

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





## 1. Accounting policies continued

### 1.13 Taxation

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

#### Current tax

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

#### Research and development tax credit

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

#### 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 taxable 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 recorded in the income statement unless it relates to items in “other comprehensive income”, in which case the deferred tax is recorded in “other comprehensive income”. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 1.14 Provisions

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

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

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

### 1.15 Employee benefits

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

### 1.16 Retirement benefits

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

## 1. Accounting policies CONTINUED

### 1.17 Share-based payments

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

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

### 1.18 Foreign currency

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

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

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

### 1.19 Descriptions of nature of each component of equity

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

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

### 1.20 Inventories

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

### 1.21 Government grants and assistance

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

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





## 1. Accounting policies CONTINUED

### 1.22 IFRS 16 "Leases"

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

The Group has not applied the expedient to not recognise all classes of operating leases with a remaining lease term of less than twelve months as short-term leases. The policy has been consistently applied 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.

### 1.23 Invoice Financing Facility

The Group recognises an invoice financing facility as a financial liability on the balance sheet. It is initially measured at fair value, considering the expected future cash flows and transaction costs. Subsequently, it is measured at amortised cost using the effective interest method. The facility is presented as part of current borrowings in the balance sheet, and interest expense is recognised in the statement of comprehensive income.

## 2. Adoption of new and revised standards

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

## 3. Critical accounting judgements and key sources of estimation uncertainty

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

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

In the application of the Group and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates. The Directors do believe there are four areas within the financial statements which constitute critical accounting judgements and estimates as follows:

### Critical Judgements

#### 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 17) as a proportion of total time spent in the year. This represents an area of judgement and impacts the value of intangible costs capitalised: £7.3m (2022: £6.4m).

## 3. Critical accounting judgements and key sources of estimation uncertainty continued

### Critical Estimates

#### Estimation of time spent on capitalisable activities

The determination of the value of capitalised development costs associated with employee salaries and related expenses is based on an estimation of the time allocated by employees to activities that fulfil the criteria specified in IAS 38 for capitalisation. These estimations are carried out considering the specific roles and departments of our employees and are considered critically important.

In the event of a 10% variation in the time allocated by employees within departments engaged in capitalisable activities, the cost attributed to intangible assets may experience corresponding fluctuations. Should there be a 10% increase in the estimated time spent, this would result in a £0.4m increment in the cost of the intangible asset, prompting an adjustment to be made to profit before tax. Conversely, a 10% decrease in the estimated time would lead to a £0.4m reduction in the cost of the intangible asset, with a corresponding adjustment reflected in profit before tax.

#### Estimation of deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest budget approved by the Board, adjusted for any non-taxable income or expenses. The asset recognised has also been adjusted to incorporate limitations imposed by the tax rules in the jurisdictions of the Group's subsidiaries on the utilisation of tax losses to offset future taxable income. A reasonable change in business profit before tax of an increase of 10% would result in a £479k increase in the deferred tax asset recognised. A corresponding decrease in the profit before tax would result in a £979k decrease in the deferred tax asset recognised.

The Group uses a five-year planning horizon to derive the recoverability of tax losses carried forward. If the forecast horizon were to increase or decrease by one year this would result in a corresponding increase or decrease in the deferred tax asset of £975k.

#### 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.

Management has performed a sensitivity analysis of the impact of changes in the judgement associated with 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 £2.5m (2022: £2.3m), while an increase of the same amount would reduce the amortisation expense by £2.4m (2022: £2.1m).

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





## 4. Segment reporting

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

The Group has three reportable segments: Europe, Asia-Pacific, the Middle East and Africa (AMEA), and North and South America (the Americas). During the year, the Group changed the reportable segments to reflect the updated management structure of each region, and as a result, the comparative period has been re-presented to align to the new reportable segments. 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.

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Europe | **25,914** | 20,615 |
| Americas | **25,834** | 16,534 |
| AMEA | **11,255** | 9,663 |
| **Net Revenue** | **63,003** | 46,812 |
| Add back: cost of sales on principal transactions | **3,653** | 1,839 |
| **Revenue** | **66,656** | 48,651 |
| Europe | **9,207** | 4,907 |
| Americas | **1,943** | (700) |
| AMEA | **854** | 671 |
| **Adjusted EBITDA** | **12,004** | 4,878 |
| Amortisation | **(5,287)** | (4,608) |
| Depreciation | **(2,916)** | (2,713) |
| Share-based payment expense & national insurance | **(908)** | (537) |
| Exceptional items | **(1,098)** | (769) |
| **Operating profit/(loss)** | **1,795** | (3,749) |
| Foreign exchange (loss)/gain | **(220)** | 157 |
| Other net finance expense | **(651)** | (258) |
| **Profit/(loss) before taxation** | **924** | (3,850) |
| Taxation credit/(expense) | **3,623** | (466) |
| **Profit/(loss) for the year** | **4,547** | (4,316) |

Statutory revenue for the Americas and AMEA segments is the same as the Net Revenue amounts disclosed above. Statutory revenue for the Europe segment was £29,567k (2022: £22,454k).

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.

# Notes to the Financial Statements continued

## 4. Segment reporting continued

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:

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Direct concierge service revenue | **52,257** | 38,030 |
| Offers and benefits revenue | **1,170** | 1,129 |
| Indirect concierge service revenue | **11,095** | 7,516 |
| Digital platform fees | **2,134** | 1,976 |
| **Revenue** | **66,656** | 48,651 |

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Corporate revenue | **55,561** | 41,116 |
| Supplier revenue | **11,095** | 7,535 |
| **Revenue** | **66,656** | 48,651 |
| Supplier revenue (cost of sales on principal member transactions) | **(3,653)** | (1,839) |
| **Net Revenue** | **63,003** | 46,812 |

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Revenue from services as principal | **61,416** | 46,570 |
| Revenue from services as agent | **5,240** | 2,081 |
| | **66,656** | 48,651 |

Net Revenue is a non-GAAP Company measure that includes 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 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, which is considered to be the chief operating decision maker. Adjusted EBITDA is the principal operating metric for a segment.

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

Three corporate clients (2022: two) generated more than 10% of total revenue each during the year ended 31 August 2023. The total combined revenue of these corporate clients was £23.9m (2022: £9.5m) and was mainly included in the Europe and Americas segments.

## 5. Exceptional items

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Restructuring costs | **995** | - |
| Loss on disposal of subsidiary and restructuring | **18** | 519 |
| Provision for overseas tax authority costs | **85** | 250 |
| | **1,098** | 769 |

The Group recognised an exceptional charge which related to restructuring costs incurred during the year of £995k (2022: £nil). During the year, the Group recognised a further £18k (2022: £519k) related to the disposal of the Russian subsidiary, Ten Group (RUS) LLC in 2022. The Group also recognised an additional provision of £85k (2022: £250k) related to overseas taxes and penalties.





## 6. Operating profit/(loss)

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Research and development costs not capitalised | **1,114** | 542 |
| Depreciation of property, plant and equipment | **511** | 483 |
| Depreciation of right-of-use asset | **2,405** | 2,230 |
| Amortisation of intangible assets | **5,287** | 4,608 |
| Bad debt expense | **103** | 336 |
| Government assistance | **—** | (210) |
| Exceptional items | **1,098** | 769 |

## 7. Auditor's remuneration

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **For audit services** | | |
| Audit of the financial statements of the Company | **170** | 141 |
| Audit of the financial statements of the Company's subsidiaries | **36** | 8 |
| | **206** | 149 |
| **For other services** | | |
| Tax services for the Company | **—** | — |
| Tax services for the Company's subsidiaries | **20** | 18 |
| Other services | **5** | 8 |
| | **25** | 26 |

## 8. Employees

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

| | 2023 Number | 2022 Number |
|---|---|---|
| UK | **189** | 196 |
| International | **1,055** | 905 |
| | **1,244** | 1,101 |

Their aggregate remuneration comprised:

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Wages and salaries | **35,499** | 29,739 |
| Social security costs | **4,881** | 3,281 |
| Pension costs | **1,081** | 959 |
| Share-based payments (note 29) | **908** | 537 |
| | **42,369** | 34,516 |

## 9. Directors' remuneration

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Remuneration for qualifying services | **1,100** | 1,007 |
| Pension contributions to defined contribution schemes | **14** | 12 |
| Share-based payments – gain on the exercise of share options during year | **—** | 208 |
| | **1,114** | 1,227 |

Full details of Directors' remuneration are presented in the Remuneration Committee Report on pages 62 to 67.

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Remuneration for qualifying services | **316** | 308 |
| Share-based payments – expense | **54** | 120 |
| Share-based payments – gain on the exercise of share options during year | **—** | 84 |
| | **370** | 512 |

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2022: two).

## 10. Key management personnel

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Short-term employee benefits | **1,573** | 1,544 |
| Termination costs | **142** | — |
| Post-employment benefits | **22** | 18 |
| Share-based payments – gain on the exercise of share options during year | **37** | 293 |
| | **1,774** | 1,855 |

### 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 of the prior year, Ten Lifestyle Management Limited borrowed £1.5m from Mrs S Weatherill, wife of the previous Chairman, Mr B Weatherill. Interest is payable monthly in arrears in cash at 8% per annum until June 2023 and 16% per annum thereafter during the term of the loan. The loan is repayable in the next twelve months and has been classified as current.

In August 2022 of the prior year, Ten Lifestyle Management Limited raised £1.9m of loan notes, including £275k of loan notes issued to other members of the previous Chairman's family, who do not fall under the definition of related parties. Please refer to note 26 for terms of the loan notes, all of which were issued on the same terms.

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Losses/(gain) on foreign exchange | **220** | (157) |
| Interest on bank overdrafts and loans | **62** | 1 |
| IFRS 16 interest charge | **216** | 185 |
| Loan interest | **380** | 73 |
| Interest income | **(7)** | (1) |
| **Total finance expense** | **871** | 101 |

## 14. Income tax expense

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Current tax** | | |
| UK current tax expense | **—** | — |
| Foreign taxes related to current year | **843** | 466 |
| Prior year adjustments in respect of foreign taxes | **(169)** | — |
| **Deferred tax** | | |
| Origination and reversal of timing differences | **1,009** | — |
| Historical losses recognised | **(5,306)** | — |
| **Total tax (credit)/expense** | **(3,623)** | 466 |

The tax expense for the year can be reconciled to the income statement as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Profit/(loss) before taxation** | **924** | (3,850) |
| Expected tax charge/(credit) based on a corporation tax rate of 21.5% (2022: 19.0%)* | **199** | (732) |
| Effect of expenses not deductible in determining taxable profit | **60** | 3 |
| Effect of taxes related to previous years | **(169)** | — |
| Origination and reversal of timing differences | **1,009** | 975 |
| Historical losses recognised | **(5,306)** | — |
| Overseas tax rate differences | **584** | 220 |
| Taxation (credit)/expense for the year | **(3,623)** | 466 |

* A blended rate of 21.5% has been used in the current period following the change in the corporation tax rate from 19% to 25% on 1 of April 2023.

## 15. Earnings per share

| Basic earnings per share | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Profit/(loss) attributable to equity shareholders of the parent | **4,547** | (4,316) |
| Weighted average number of ordinary shares in issue (net of treasury) | **83,894,193** | 83,699,615 |
| Basic profit/(loss) per share (pence) | **5.4p** | (5.2)p |

## 15. EARNINGS PER SHARE CONTINUED

### BASIC PROFIT PER ORDINARY SHARE

Basic profit 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 (2022: (5.2)p).

| Diluted earnings per share | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Profit/(loss) attributable to equity shareholders of the parent | **4,547** | (4,316) |
| Weighted average number of ordinary shares in issue (net of treasury) | **86,986,163** | 83,699,615 |
| Diluted profit/loss per share (pence) | **5.2p** | (5.2)p |

### DILUTED EARNINGS PER ORDINARY SHARE

Diluted earnings per share is calculated as per IAS 33 by adjusting the weighted average number of ordinary shares outstanding for the dilutive effect of "in the money" share options, which are the only dilutive potential common shares for the Group. The net profit attributable to ordinary shareholders is divided by the adjusted weighted average number of shares. "Out of the money" share options are excluded from the calculation as they are non-dilutive. 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.

| Underlying earnings per share | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Profit/(loss) attributable to equity shareholders of the parent | **4,547** | (4,316) |
| Excluding exceptional items & taxes | | |
| Exceptional items | **1,098** | 769 |
| Recognition of historical tax losses | **(5,306)** | — |
| Underlying profit/(loss) attributable to equity shareholders of the parent | **339** | (3,547) |
| Basic weighted average number of ordinary shares in issue (net of treasury) | **83,894,193** | 83,699,615 |
| Basic underlying profit/(loss) per share (pence) | **0.4p** | (4.2)p |
| Diluted weighted average number of ordinary shares in issue (net of treasury) | **86,986,163** | 83,699,615 |
| Diluted underlying profit/(loss) per share (pence) | **0.4p** | (4.2)p |

### UNDERLYING EARNINGS PER ORDINARY SHARE

Underlying earnings per share is calculated by adjusting the profit/(loss) attributable to equity shareholders for exceptional items (note 5) and associated taxes along with non-underlying tax items such as deferred tax arising from the recognition of historical losses. No changes are made to the weighted average number of ordinary shares.

## 16. DEFERRED TAX

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Opening balance** | **—** | — |
| Credited/(charged) to the statement of comprehensive income: | | |
| Share-based payments | **—** | — |
| Historical losses | **4,999** | — |
| Movement in other temporary differences | **(702)** | |
| **Closing balance** | **4,297** | — |





## 16. DEFERRED TAX CONTINUED

| | Intangible assets £'000 | Capital allowances £'000 | Losses £'000 | Other temporary differences £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Opening Balance as at 1 September 2022** | — | — | — | — | — |
| Credited/(charged) to the statement of comprehensive income | | | | | |
| Movement in deferred tax balances | (1,672) | 715 | — | 255 | (702) |
| Utilisation of historical losses | — | — | (307) | — | (307) |
| Recognition of historical losses | — | — | 5,306 | — | 5,306 |
| **Closing balance as at 31 August 2023** | **(1,672)** | **715** | **4,999** | **255** | **4,297** |

As at 31 August 2023, the Group has unused tax losses of £61.1m that are available for offset against future taxable profits. During the year ended 31 August 2023, a deferred tax asset has been recognised in respect of £21.0m of such losses (2022: £nil). Due to uncertainty as to the level and timing of taxable profits in the future, no deferred tax asset has been recognised in respect of the remaining £40.1m (2022: £31.6m). The losses that remain unrecognised are not expected to expire. Further information about the recoverability of the recognised deferred tax asset is contained in the "Critical Accounting Estimates and Judgments" section of these notes.

## 17. INTANGIBLE ASSETS

| | Capitalised development costs £'000 | Website £'000 | Trademarks £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 31 August 2021 | 35,036 | 1,909 | — | 36,945 |
| Additions | 6,452 | — | — | 6,452 |
| Impairment | — | — | — | — |
| Disposals | (4) | — | — | (4) |
| Write-off | — | — | — | — |
| At 31 August 2022 | 41,484 | 1,909 | — | 43,393 |
| Additions | 7,284 | — | — | 7,284 |
| Disposal | — | — | — | — |
| **At 31 August 2023** | **48,768** | **1,909** | **—** | **50,677** |
| **Accumulated amortisation** | | | | |
| 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 |
| Charge for the year | 5,287 | — | — | 5,287 |
| Disposal | — | — | — | — |
| **At 31 August 2023** | **33,374** | **1,909** | **—** | **35,283** |
| **Carrying amount** | | | | |
| At 31 August 2022 | 13,397 | — | — | 13,397 |
| **At 31 August 2023** | **15,394** | **—** | **—** | **15,394** |

### 17. Intangible assets continued

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

### 18. Property, plant and equipment

| | Leasehold improvements £'000 | Fixtures and fittings £'000 | Office equipment £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| 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 |
| Additions | 84 | 11 | 436 | 531 |
| Disposals | (22) | — | — | (22) |
| Reclassification | — | — | — | — |
| Exchange movements | (18) | (9) | (174) | (201) |
| **At 31 August 2023** | **127** | **394** | **3,827** | **4,348** |
| **Accumulated depreciation** | | | | |
| 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 |
| Charge for the year | 21 | 45 | 445 | 511 |
| Disposals | (20) | — | — | (20) |
| Reclassification | — | — | — | — |
| Exchange movements | (17) | (5) | (134) | (156) |
| **At 31 August 2023** | **55** | **377** | **3,004** | **3,436** |
| **Carrying amount** | | | | |
| At 31 August 2022 | 12 | 55 | 872 | 939 |
| **At 31 August 2023** | **72** | **17** | **823** | **912** |





### 19. Right-of-use assets

| | Land and buildings £'000 |
|---|---|
| At 1 September 2021 | 2,601 |
| Additions | 1,844 |
| Terminations | (27) |
| Lease modifications | 4 |
| Depreciation | (2,230) |
| Translation differences | 82 |
| At 31 August 2022 | 2,274 |
| Additions | 1,573 |
| Terminations | (88) |
| Lease modifications | 605 |
| Depreciation | (2,405) |
| Translation differences | (48) |
| **At 31 August 2023** | **1,911** |

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

## 20. Subsidiaries

Details of the Company's subsidiaries at 31 August 2023 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 | Concierge services |
| Ten Group Norway AS | Norway | 100 | 100 | Concierge services |
| Ten Latin America Limited | UK | 100 | 100 | Dormant |
| Ten South America Limited | UK | 100 | 100 | Dormant |
| Ten Global Services Limited | UK | 100 | 100 | Dormant |
| Ten Travel Limited | UK | 100 | 100 | Dormant |
| Ten Professional Services Limited | UK | 100 | 100 | Dormant |
| Bailey Medical Support Limited | UK | 100 | 100 | Dormant |

1 Shares held directly by Ten Lifestyle Group Plc.





## 20. Subsidiaries continued

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

| Name of undertaking | Registered office |
|---|---|
| Ten Lifestyle Management Limited | 2nd floor, Fitzroy House, 355 Euston Road, London, NW1 3AL, United Kingdom |
| Ten Lifestyle Management (Asia) Limited | Unit 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 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 Norway AS | c/o Flattum Accounting, St Olavs Gate, 25 0166, Oslo, Norway |
| Ten Lifestyle Management Switzerland GmbH | Red Tower, Floor F0 Limmatstrasse 250, 8005, Zurich, Switzerland |
| Ten Lifestyle Management India Private Limited | 9SE, 9th Floor, The Ruby Tower, 29, Senapati Bapat Marg Dadar (West), Mumbai 400 028, India |
| Ten Group Australia Pty Limited | Level 11, 80 Mount Street, North Sydney, NSW 2060 |
| Ten Group France SAS | 66 avenue des Champs-Élysées, 75008, Paris, France |
| Ten Lifestyle Argentina (Branch) | Corrientes 222, Piso 10 C1043 AAP, Buenos Aires, Argentina |
| Ten Lifestyle Management Ltd (DMCC) (Branch) | Reef Tower Units 31-07 & 31-08, PO Box 115738, Dubai, UAE |

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

## 21. Trade and other receivables

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade receivables | **5,982** | 4,665 |
| Provision for bad and doubtful debts | **(439)** | (336) |
| | **5,543** | 4,329 |
| Other receivables | **1,579** | 1,300 |
| Prepayments and accrued income | **4,486** | 4,301 |
| | **11,608** | 9,930 |

Movements in Group contract assets and liabilities were as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Accrued income increased | **264** | 851 |

All accrued income recognised at 31 August 2022 was released during the year.

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

## 22. Trade receivables – credit risk

| Ageing of due and past due but not impaired debts | 2023 £'000 | 2022 £'000 |
|---|---|---|
| 0–30 days | **4,873** | 379 |
| 30–60 days | **343** | 34 |
| 60–90 days | **111** | 21 |
| 90–120 days | **181** | 45 |
| 120+ days | **474** | 275 |
| | **5,982** | 4,665 |
| Provision for bad and doubtful debts | **(439)** | (336) |
| | **5,543** | 4,329 |

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 | **4,873** | **44** | **1%** |
| 30–60 days | **343** | **37** | **11%** |
| 60–90 days | **111** | **23** | **20%** |
| 90–120 days | **181** | **36** | **20%** |
| 120+ days | **474** | **299** | **63%** |
| | **5,982** | **439** | |

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Opening balance | **336** | 221 |
| Movement in provision | **103** | 115 |
| **Closing balance** | **439** | 336 |

## 23. Cash and cash equivalents

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Cash at banks and on-hand – unrestricted | **6,982** | 5,492 |
| Cash at banks and on-hand – restricted | **1,100** | 521 |
| Cash in transit | **147** | 571 |
| **Cash and cash equivalents** | **8,229** | 6,584 |

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 and reserves. These guarantees arise in the ordinary course of business and relate to the Group's travel operations, while the reserves relate to restricted cash related to the Group's card intermediary. 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 £196k (2022: £193k).





## 24. Trade and other payables

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade payables | **1,550** | 1,816 |
| Accruals and deferred income | **14,845** | 10,801 |
| Social security and other taxation | **2,950** | 3,226 |
| Other payables | **714** | 616 |
| | **20,059** | 16,459 |

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Deferred income increase | **1,200** | 1,137 |

All deferred income recognised at 31 August 2022 was released during the year. The fair values of trade and other payables are the same as the carrying values.

## 25. Provision – overseas tax liabilities

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Provision for overseas liabilities | **931** | 846 |
| Movements on provisions: | | |
| At beginning of year | **846** | 568 |
| Movement in provision | **85** | 278 |
| At end of year | **931** | 846 |

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

## 26. Borrowings

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Current | **1,622** | 1,500 |
| Non-current | **2,950** | 1,940 |
| | **4,572** | 3,440 |

Ten Lifestyle Management Limited has entered into additional loan notes of £1.2m (2022: £1.9m) during the year. Interest is payable quarterly in arrears in cash at 8% per annum during the term of the loan notes, a 1% administration fee payable in cash at drawdown. The additional loan notes of £1.2m are repayable on the 25 August 2025. The loan notes have been recognised using the effective interest rate method, for which the average rate is 8.3% (2022: 8.3%).The loans are guaranteed by Ten Lifestyle Group Plc.

In March 2022 of the prior year, Ten Lifestyle Management Limited borrowed £1.5m from Mrs S Weatherill, wife of the previous Chairman, as disclosed in note 11.

On 25 January 2023 the Group entered an invoice financing facility available up to a maximum of £2.1m, of which £0.1m was used at the end of the period. The Group has invoice financing facilities in place relating to trade receivables due from large corporate clients of Ten Lifestyle Management Limited that are denominated in US Dollars and Sterling. The trade receivables guaranteed under the arrangement totalled £122k (2022: £nil). The Group retains the credit risk associated to these trade receivables and therefore presents these trade receivables gross within the reported current assets. The liability arising from the invoice financing is presented as borrowings within current liabilities. The invoice financing facility is guaranteed to the value of the debts advanced and accrues interest at a rate of 2% over the base rate.

## 27. Lease liabilities

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Lease liabilities** | | |
| In one year or less | **1,967** | 2,118 |
| Between one and five years | **571** | 1,138 |
| Total undiscounted lease liabilities | **2,538** | 3,256 |
| **Lease liabilities included in the statement of financial position** | | |
| Current | **1,738** | 1,834 |
| Non-current | **399** | 820 |
| | **2,137** | 2,654 |
| **Lease liability payments allocation** | | |
| Lease liability repayments | **2,538** | 2,427 |
| Interest expense on lease liabilities | **216** | 185 |

| | Land and buildings £'000 |
|---|---|
| At 31 August 2022 | 2,654 |
| Additions | 1,573 |
| Payments | (2,754) |
| Interest | 216 |
| Terminations | (164) |
| Lease modifications | 665 |
| Translation differences | (53) |
| **At 31 August 2023** | **2,137** |
| **Carrying amount** | |
| At 31 August 2022 | 2,654 |
| **At 31 August 2023** | **2,137** |

### Discount rate

The discount rate used is based on the Group's estimated cost of debt. The average discount rate applied is 10.41% (2022: 7.7%), which is the Group's incremental borrowing rate.

## 28. Share capital

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| 84,738,773 (2022: 83,741,801) ordinary shares of £0.001 each | **84,739** | 83,742 |
| | **84,739** | 83,742 |

There were 997k shares issued during the financial year ended 31 August 2023. 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 shares (2022: 42,186). These shares held are treated as treasury shares and are included in the treasury reserve in the consolidated statement of financial position.





## 29. 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 option to vest. All options unexercised after a period of ten years from the date of grant expire.

For the SSS, the holder must sacrifice the pre-agreed amount of salary to vest the options granted. All options unexercised after a period of three years from the date of grant expire. An extension was granted on certain salary sacrifices noted in the tables below.

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 2023 is 3.6 years.

The total expense recognised for the year ended 31 August 2023 arising from equity-settled share-based payment transactions amounted to £0.9m (2022: £0.5m).

| | Number | Weighted average exercise price £ |
|---|---|---|
| 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 |
| Granted in the-year - CSOP | 984,362 | 0.489 |
| Exercised in the-year - CSOP | (105,722) | 0.739 |
| Lapsed in the-year - CSOP | (262,111) | 0.801 |
| Exercised in the-year - MIP | (80,000) | 0.001 |
| Lapsed in the-year - MIP | (609,990) | 0.001 |
| Exercised in the-year - SSS | (319,722) | 0.700 |
| Extensions in the-year - SSS | 55,399 | 0.690 |
| Lapsed in the-year - SSS | (411,261) | 0.711 |
| Exercised in the-year - EMI | (91,528) | 0.389 |
| Lapsed in the-year - EMI | (53,336) | 0.224 |
| **Number of options outstanding at 31 August 2023** | **12,763,115** | **0.734** |

## 29. Share options continued

| | As at 31 August 2023 | As at 31 August 2022 | Exercise price £ | Remaining contractual life AR23 |
|---|---|---|---|---|
| **EMI** | | | | |
| January 2013 to January 2023 | **—** | 81,336 | 0.224 | — |
| January 2013 to January 2023 | **—** | 24,672 | 0.536 | — |
| January 2013 to January 2023 | **—** | 9,440 | 0.414 | — |
| May 2014 to January 2023 | **—** | 29,416 | 0.414 | — |
| December 2015 to December 2025 | **34,968** | 34,968 | 0.563 | 2.29 |
| **MIP** | | | | |
| December 2017 to December 2027 | **124,000** | 124,000 | 0.001 | 4.29 |
| April 2018 to April 2028 | **68,966** | 68,956 | 0.001 | 4.63 |
| September 2018 to September 2028 | **112,360** | 112,360 | 0.001 | 5.05 |
| November 2018 to November 2028 | **344,828** | 344,828 | 0.001 | 5.21 |
| June 2019 to June 2029 | **426,000** | 490,000 | 0.001 | 5.79 |
| December 2019 to December 2029 | **96,000** | 722,000 | 0.001 | 6.30 |
| December 2020 to December 2030 | **655,000** | 655,000 | 0.001 | 7.30 |
| August 2022 to August 2032 | **676,000** | 676,000 | 0.001 | 8.96 |
| **CSOP** | | | | |
| August 2017 to August 2027 | **440,000** | 600,000 | 0.750 | 3.96 |
| March 2018 to March 2028 | **9,375** | 9,375 | 1.600 | 4.54 |
| May 2018 to May 2028 | **22,222** | 22,222 | 1.350 | 4.71 |
| August 2018 to August 2028 | **—** | 17,241 | 0.870 | 4.96 |
| September 2018 to September 2028 | **34,483** | 34,483 | 0.870 | 5.05 |
| December 2018 to December 2028 | **33,857** | 42,857 | 0.350 | 5.30 |
| January 2019 to January 2029 | **67,781** | 67,781 | 0.440 | 5.38 |
| April 2019 to April 2029 | **45,802** | 45,802 | 0.660 | 5.63 |
| June 2019 to June 2029 | **134,832** | 134,831 | 0.890 | 5.79 |
| July 2019 to July 2029 | **25,424** | 25,424 | 1.180 | 5.88 |
| August 2019 to August 2029 | **289,915** | 289,916 | 1.190 | 5.96 |
| September 2019 to September 2029 | **18,987** | 18,987 | 0.790 | 6.05 |
| October 2019 to October 2029 | **12,295** | 12,295 | 1.220 | 6.13 |
| August 2020 to August 2030 | **18,987** | 18,987 | 0.790 | 6.96 |
| September 2020 to September 2030 | **1,168,840** | 1,305,194 | 0.770 | 7.05 |
| March 2021 to March 2031 | **14,018** | 14,018 | 1.070 | 7.54 |
| June 2021 to June 2031 | **15,600** | — | 1.045 | 7.79 |
| August 2021 to August 2031 | **14,218** | 14,218 | 1.060 | 7.96 |
| December 2021 to December 2031 | **482,403** | 527,628 | 1.000 | 8.30 |
| May 2022 to May 2032 | **121,363** | 121,363 | 0.620 | 8.71 |
| October 2022 to October 2032 | **968,750** | — | 0.480 | 9.13 |
| **SSS** | | | | |
| March 2020 to March 2024 | **1,184,677** | 1,847,099 | 0.700 | 0.46 |
| July 2020 to July 2024 | **1,241,679** | 1,242,108 | 1.200 | 0.13 |
| November 2020 to November 2024 | **2,088,573** | 2,090,473 | 1.000 | 0.21 |
| March 2021 to March 2025 | **1,770,912** | 1,781,745 | 1.100 | 0.54 |
| | **12,763,115** | 13,657,024 | | |





## 29. 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 £1.22.

### Management Incentive Plan

There were no new options granted under the MIP. All share options granted under the MIP can be exercised at nominal ordinary share value (£0.001p).

### Salary Sacrifice Scheme

Under the SSS, the Group offered its employees the opportunity to sacrifice salary over two four-month periods in exchange for share options; 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, 984,632 (2022: 678,284) options were issued to eligible employees in the 2023 financial year. These shares were issued under a conditional three years of employment (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 2023 and 31 August 2022 were as follows:

| 2022 | CSOP | CSOP | MIP | MIP |
|---|---|---|---|---|
| Grant month | Dec 2021 | May 2022 | Aug 2022 | Aug 2022 |
| Weighted average share price | £0.99 | £0.62 | £0.56 | £0.58 |
| Weighted average exercise price | £0.99 | £0.62 | £1.10 | £0.001 |
| Expected volatility | 48% | 52% | 52% | 45% |
| Weighted average risk free rate | 0.1% | 1.48% | 2.04% | 2.04% |
| Expected dividend yield | — | — | — | — |
| Weighted average option life (years) | 5.0 | 5.0 | 2.5 | 2.5 |
| Weighted average fair value at date of grant | £0.43 | £0.29 | £0.58 | £0.08 |

| 2023 | CSOP |
|---|---|
| Grant month | Oct 2022 |
| Weighted average share price | £0.48 |
| Weighted average exercise price | £0.48 |
| Expected volatility | 54% |
| Weighted average risk-free rate | 3.64% |
| Expected dividend yield | — |
| Weighted average option life (years) | 5.0 |
| Weighted average fair value at date of grant | £0.46 |

The expected 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 SSS, expected share price volatility is based on the Group's share price volatility.

## 30. Capital commitments

At 31 August 2023 the Group had no material capital commitments (2022: £nil).

## 31. 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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Cash at banks and on-hand - unrestricted | **7,129** | 6,063 |
| Cash at banks and on-hand - restricted | **1,100** | 521 |
| Trade and other receivables | **9,253** | 7,949 |

### Financial liabilities

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade and other payables | **2,410** | 2,432 |
| Lease liabilities | **2,137** | 2,654 |
| Borrowings | **4,572** | 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, Australian Dollar, and Japanese Yen to Sterling and the translation of net assets denominated in Euros, US Dollars, Swiss Francs, Brazilian Real, Australian Dollar, and Japanese Yen to Sterling, the Group's functional currency.

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

| | GBP:EUR 1 | GBP:USD 1 | GBP:CHF 1 | GBP:JPY 1 | GBP:BRL 1 | GBP:AUD 1 |
|---|---|---|---|---|---|---|
| **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 |
| **Year ended 31 August 2023** | | | | | | |
| Average rate | **1.15** | **1.22** | **1.12** | **168.55** | **6.20** | **1.82** |
| Year-end spot rate | **1.17** | **1.27** | **1.12** | **185.62** | **6.22** | **1.96** |





## 31. Financial instruments and financial risk management continued

### Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% decrease in £GBP 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 | |
|---|---|---|
| | 2023 £'000 | 2022 £'000 |
| Euro | **142** | 26 |
| US Dollar | **(396)** | (310) |
| Swiss Franc | **(119)** | (45) |
| Japanese Yen | **(28)** | (46) |
| Brazilian Real | **14** | - |
| Australian Dollar | **(55)** | (52) |
| Other | **(321)** | (83) |
| | **(763)** | (510) |

### Interest rate risk

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

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

### Credit risk

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

### Trade receivables

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

The requirement for impairment is analysed at each reporting date. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company does not hold collateral as security. The Group 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 raised funds as part of the IPO in November 2017. In addition, the funds generated by operating activities are managed to fund short-term working capital requirements. The Board carefully monitors the levels of cash and is comfortable that it has sufficient cash for normal operating requirements. The Group currently holds no committed lines of credit.

### 31. 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 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 |
| **At 31 August 2023** | | | | |
| Trade and other payables | **2,410** | **—** | **—** | **2,410** |
| Long-term loan | **1,622** | **2,950** | **—** | **4,572** |
| Lease liabilities | **1,738** | **399** | **—** | **2,137** |

#### 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.

#### Financial instruments carried at fair value

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

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

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

### 32. Events after the balance sheet date

Since the end of the year, the Group has announced the following material contract expansions and new business wins:

- An existing financial services client in the Americas has upscaled their contract with Ten following high member engagement rates and utilisation. This expansion, which will now increase from a Medium to a Large contract, is expected to begin generating additional revenue from March 2024.
- Ten has entered into a contract with a new global Private Bank client with customers across AMEA for our digitally-enabled travel and lifestyle service. This service is expected to be launched across multiple markets in the region during the first half of the calendar year 2024. Once fully launched, this client is anticipated to equate to a Medium contract.

In addition, the Group has

- Raised a further £950k of three-year loan notes, including £250k of loan notes issued to Nitro Ventures Limited on 21 November 2023. Jules Pancholi, Non-Executive Chairman is a shareholder and director of Nitro Ventures Limited. Interest is payable quarterly in arrears in cash at 12% per annum during the term of the loan, a 1% administration fee payable in cash at drawdown repayable in November 2026.
- Extended the related party loan, originally entered into in March 2022, with Mrs S Weatherill, wife of the previous Chairman Mr B Weatherill, as disclosed in note 11.





## Company Statement of Financial Position

as at 31 August 2023

**Company No: 08259177**

| | Note | 2023 £'000 | 2022 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Investments | 33 | **49,500** | 48,870 |
| **Total non-current assets** | | **49,500** | 48,870 |
| **Current assets** | | | |
| Trade and other receivables | 34 | **10** | 3 |
| Cash and cash equivalents | 36 | **6** | 6 |
| Amounts due from Group undertakings | 34 | **1,600** | 1,203 |
| **Total current assets** | | **1,616** | 1,212 |
| **Total assets** | | **51,116** | 50,082 |
| **Current liabilities** | | | |
| Trade and other payables | 35 | **(159)** | (114) |
| Amounts due from Group undertakings | | **—** | — |
| **Total current liabilities** | | **(159)** | (114) |
| **Net current assets** | | **1,457** | 1,098 |
| **Net assets** | | **50,957** | 49,968 |
| **Equity** | | | |
| Called up share capital | 28 | **85** | 84 |
| Share premium account | | **31,272** | 30,658 |
| Retained earnings | | **19,600** | 19,226 |
| **Total equity** | | **50,957** | 49,968 |

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 £255,000 (2022: £300,000 loss).

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2023 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 2023

| | Note | Share capital £'000 | Share premium account £'000 | Retained earnings £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Balance at 1 September 2021** | | 82 | 29,356 | 18,989 | 48,427 |
| Loss for the period | | — | — | (300) | (300) |
| **Total comprehensive loss for the year** | | — | — | (300) | (300) |
| Equity-settled share-based payments charge | 29 | — | — | 537 | 537 |
| Issue of new share capital | | 2 | 1,302 | — | 1,304 |
| **Balance at 31 August 2022** | | 84 | 30,658 | 19,226 | 49,968 |
| Loss for the period | | — | — | (255) | (255) |
| **Total comprehensive loss for the year** | | — | — | (255) | (255) |
| Equity-settled share-based payments charge | 29 | | — | 629 | 629 |
| Issue of new share capital | | 1 | 614 | — | 615 |
| **Balance at 31 August 2023** | | **85** | **31,272** | **19,600** | **50,957** |





# Company Statement of Cash Flows
for the year ended 31 August 2023

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss for the year after tax | **(255)** | (300) |
| **Movement in working capital:** | | |
| Increase in trade and other receivables | **(405)** | (906) |
| Increase / (decrease) in trade and other payables | **45** | (163) |
| **Net cash generated used in operating activities** | **(615)** | (1,369) |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares | **615** | 1,302 |
| **Net cash generated by financing activities** | **615** | 1,302 |
| **Net increase/(decrease) in cash and cash equivalents** | **—** | (67) |
| **Cash and cash equivalents at beginning of the period** | **6** | 73 |
| **Cash and cash equivalents at end of the period** | **6** | 6 |

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

### 33. INVESTMENTS

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Investments in subsidiaries | **49,500** | 48,870 |
| **Cost** | | |
| At 31 August 2022 | **48,870** | 48,333 |
| Additions | **630** | 537 |
| **At 31 August 2023** | **49,500** | 48,870 |
| **Carrying amount** | | |
| At 31 August 2022 | **48,870** | |
| **At 31 August 2023** | **49,500** | |

The addition in the year represents capital contributions of £0.6m made to the Company's subsidiaries in respect of the share option expense recognised on share options issued by the Company to employees of the appropriate subsidiaries, which is a non-cash transaction.

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 (2022: £nil).

### 34. TRADE AND OTHER RECEIVABLES

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade and other receivables | **10** | 3 |
| Amounts due from Group companies | **1,600** | 1,203 |
| | **1,610** | 1,206 |

### 35. TRADE AND OTHER CREDITORS

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Accruals | **159** | 114 |
| | **159** | 114 |

### 36. CASH AND CASH EQUIVALENTS

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Cash at banks and on hand – unrestricted | **6** | 6 |
| **Cash and cash equivalents** | **6** | 6 |
| Cash and cash equivalents in the statement of cash flows | **6** | 6 |





### 37. 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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Cash at bank and in hand – unrestricted | **6** | 6 |
| Amounts due from Group undertakings | **1,600** | 1,203 |
| Trade and other receivables | **10** | 3 |

#### FINANCIAL LIABILITIES

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade and other payables | **160** | 114 |

# Corporate Information

**Registered office**
Floor 2
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**Company secretary**
Keziah Watt

**Advisers**

**Nominated Adviser and Broker**
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**Legal Advisers to the Company**
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