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 2024 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 2024 which 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 material accounting policy information. 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. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- 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.
- 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.
- Evaluating the suitability of the sensitivities applied, in the severe but plausible scenarios that were performed by the Directors.
- Determining whether under the severe but plausible scenarios the Group and Parent Company can remain within its current funding arrangements;
- We assessed and challenged the reasonableness of the key assumptions, such as margins used and cost inflation by management in preparing the forecasts and the mathematical accuracy of the forecasts looking at historical rates and detailed costs breakdowns.
- We reviewed post-balance sheet events, specifically the cash flow position against budgeted performance to identify any unusual cash movements or indicator of forecasts not being realistic. This includes testing the inflow of cash from the post year end from the equity raise.
- 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.

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	84% (2023: 88%) of Group Net revenue 85% (2023: 86%) of Group total assets		
		2024	2023
Key audit matters	Intangible Assets: Development costs and amortisation	✓	✓
	Recognition of deferred tax asset	✓	✓
	Going Concern		✓
	Going concern is no longer considered to be a Key Audit matter because of the equity fundraise by the Group.		
Materiality	£1.25m (2023: £941k) based on 2% (2023: 1.5%) of Group Net revenue		

An overview of the scope of our audit

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

The group consists of 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 scoped in a further four 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 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.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and in management's judgements and estimates.

We also assessed the consistency of managements disclosures included as 'Other Information' on pages 68 and 69 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

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.

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

An overview of the scope of our audit continued
Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Intangible Assets: Development costs and amortisation		
Details of the Group's accounting policies applied and related disclosures are given in notes 1.6 and 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. 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: ▪ We held discussions with the Group's technology team to understand the Group's processes, procedures, and projects in relation to development costs. ▪ We considered whether the development costs capitalised met the criteria for capitalisation under the applicable accounting standards. ▪ We checked the accuracy of the contractor and payroll data, on a sample basis, included in the calculations for capitalised costs to supporting documentation including employment contracts and agreements with contractors. ▪ 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. ▪ We reviewed the reasonableness of the estimated proportion of time allocations for a sample of employees and contractors by agreeing to underlying source data and 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. ▪ We assessed management's estimate of amortisation period applied to the asset by considering relevant industry benchmarks. **Key observations:** Based on the procedures performed, we consider the assumptions and judgements made in the capitalisation of development costs and the determination of amortisation period to be appropriate.
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. 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. 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: ▪ We confirmed the groups initial forecasted revenue and related costs were in line with their going concern assessment. ▪ 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. ▪ 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 **Key observations:** Based on the procedures performed, we consider the estimates made in the recognition of the deferred tax asset to be appropriate.

Our application of materiality

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

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

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

	Group financial statements		Parent Company standalone financial statements	
	2024 £	2023 £	2024 £	2023 £
Materiality	1,250,000	941,000	933,000	906,000
Basis for determining materiality	2% of Net Revenue	1.5% of Net Revenue	2% 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 stabilised performance to date, consistent year on year Net Revenue 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	875,000	658,000	653,000	634,000
Basis for determining performance materiality	Performance materiality was set at 70% (2023: 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 2024 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 18% and 80% (2023: 23% and 80%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £230,000 to £1,000,000 (2023: £216,000 to £752,000). In the audit of each component, we further applied performance materiality levels of 70% (2023:70%) 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.

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

Our application of materiality continued

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £62,000 (2023: £47,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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:

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

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

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 & 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, General Data Protection Regulation (GDPR) 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:

- 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;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Review of the SOC 2 Type 2 Report issued over the Concierge System (TenMAID) for any exceptions noted specifically around potential or possible GDPR breaches; 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:

- In addition to the procedures in the key audit matters section above, we have challenged the assumptions and judgements made by the directors in their significant accounting estimates and judgements which are disclosed on page 80, through examination and assessment of contradictory as well as corroborative evidence that we researched independently as well as received from the Group;
- Testing a sample of journal entries throughout the year relating to EBITDA, which met a defined risk criteria, by agreeing to supporting documentation and;
- Testing a sample of journal entries throughout the year relating to revenue, which met a defined risk criteria, and checking the contra entry to check that it is in line with expectations and agreeing to supporting documentation including contracts.

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

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

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

Fraud continued

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
12 November 2024

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 2024

	Note	2024 £'000	2023 £'000
Revenue	4	**67,264**	66,656
Cost of sales on principal member transactions		**(4,361)**	(3,653)
Net revenue	4	**62,903**	63,003
Other cost of sales		**(1,957)**	(2,032)
Gross profit		**60,946**	60,971
Administrative expenses		**(59,601)**	(60,012)
Other income		**731**	836
Operating profit before amortisation, depreciation, interest, share-based payments, exceptional items, and taxation ("Adjusted EBITDA")		**12,801**	12,004
Depreciation	18 & 19	**(3,332)**	(2,916)
Amortisation	17	**(5,770)**	(5,287)
Share-based payment expense	29	**(900)**	(908)
Exceptional items	5	**(723)**	(1,098)
Operating profit	6	**2,076**	1,795
Net finance expense	13	**(1,539)**	(871)
Profit before taxation		**537**	924
Taxation credit	14	**485**	3,623
Profit for the year		**1,022**	4,547
Other comprehensive income/(expense):			
Foreign currency translation differences		**170**	(564)
Total comprehensive profit for the year		**1,192**	3,983
Basic profit per ordinary share	15	**1.2p**	5.4p
Diluted profit per ordinary share	15	**1.1p**	5.2p
Basic underlying profit per ordinary share	15	**0.0p**	0.4p
Diluted underlying profit per ordinary share	15	**0.0p**	0.4p

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

Consolidated Statement of Financial Position
as at 31 August 2024

Company no: 08259177

	Note	2024 £'000	2023 £'000
Non-current assets			
Intangible assets	17	**16,349**	15,394
Property, plant, and equipment	18	**636**	912
Right-of-use assets	19	**5,489**	1,911
Deferred tax asset	16	**4,957**	4,297
Total non-current assets		**27,431**	22,514
Current assets			
Inventories		**55**	511
Trade and other receivables	21	**12,408**	11,608
Cash and cash equivalents	23	**9,267**	8,229
Total current assets		**21,730**	20,348
Total assets		**49,161**	42,862
Current liabilities			
Trade and other payables	24	**(19,231)**	(20,059)
Provisions	25	**(598)**	(931)
Lease liabilities	27	**(1,236)**	(1,738)
Borrowings	26	**(4,389)**	(1,622)
Total current liabilities		**(25,454)**	(24,350)
Net current liabilities		**(3,724)**	(4,002)
Non-current liabilities			
Borrowings	26	**(1,011)**	(2,950)
Lease liabilities	27	**(4,360)**	(399)
Total non-current liabilities		**(5,371)**	(3,349)
Total liabilities		**(30,825)**	(27,699)
Net assets		**18,336**	15,163
Equity			
Called up share capital	28	**87**	85
Share premium account		**32,389**	31,272
Merger relief reserve		**1,993**	1,993
Treasury reserve		**606**	606
Foreign exchange reserve		**(941)**	(1,111)
Retained deficit		**(15,798)**	(17,682)
Total equity		**18,336**	15,163

The financial statements were approved by the Board of Directors and authorised for issue on 12 November 2024 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 2024

	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 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
Profit for the year		—	—	—	—	—	1,022	1,022
Foreign exchange		—	—	—	170	—	—	170
Total comprehensive income for the year		—	—	—	170	—	1,022	1,192
Equity-settled share-based payments charge	29	—	—	—	—	—	862	862
Issue of new share capital		2	1,117	—	—	—	—	1,119
Balance at 31 August 2024		**87**	**32,389**	**1,993**	**(941)**	**606**	**(15,798)**	**18,336**

Consolidated Statement of Cash Flows
for the year ended 31 August 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the year, after tax		**1,022**	4,547
Adjustments for:			
Taxation credit	14	**(485)**	(3,623)
Net finance expense	13	**1,539**	871
Amortisation of intangible assets	17	**5,770**	5,287
Depreciation of property, plant, and equipment	18	**502**	511
Depreciation of right-of-use asset	19	**2,830**	2,405
Equity-settled share-based payment expense	29	**862**	629
Exceptional Items	5	**—**	427
Movement in working capital:			
Decrease/(increase) in inventories		**456**	(393)
Increase in trade and other receivables		**(801)**	(1,222)
(Decrease)/increase in trade and other payables		**(631)**	2,106
Cash generated from operations		**11,064**	11,545
Tax paid		**(1,175)**	(826)
Net cash from operating activities		**9,889**	10,719
Cash flows from investing activities			
Purchase of intangible assets	17	**(6,725)**	(7,284)
Purchase of property, plant, and equipment	18	**(294)**	(531)
Finance income	13	**6**	7
Net cash used by investing activities		**(7,013)**	(7,808)
Cash flows from financing activities			
Lease liability repayments	27	**(2,801)**	(2,538)
Sale of treasury shares		**—**	102
Net receipts from invoice discounting	26	**(109)**	122
Interest paid		**(577)**	(442)
Interest paid on IFRS 16 lease liabilities	27	**(408)**	(216)
Cash receipts from issue of share capital		**1,119**	615
Loan receipts – loan notes	26	**1,075**	1,185
Loan payments – loan notes	26	**(300)**	—
Net cash used by financing activities		**(2,001)**	(1,172)
Foreign currency cash and cash equivalents movements		**163**	(94)
Net increase in cash and cash equivalents		**1,038**	1,645
Cash and cash equivalents at beginning of period		**8,229**	6,584
Cash and cash equivalents at end of period			
Cash at bank and in hand		**9,267**	8,229
Cash and cash equivalents		**9,267**	8,229

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 9th Floor, Regent's Place, 338 Euston Road, London NW1 3BG. 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 the international accounting standards in conformity with 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. Inter-company 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 the chief operating decision maker) and reviewed by the Board of Directors to make strategic decisions and allocate resources.

1. Accounting policies continued

1.4 Going concern

The consolidated financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its cash balances and wider working capital management.

The current economic conditions continue to create uncertainty, particularly over (a) corporate members' engagement; and (b) supplier revenue volumes. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to be able to operate within the level of its current cash resources. Having assessed the principal risks and the other matters discussed in connection with the going concern statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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. Overall, the Directors have prepared cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements, which foresee that the Group will be able to operate within its existing working capital facilities.

The completion of a secondary placing of new Ordinary Shares after year end raised £5.9m of gross proceeds. This has provided further liquidity to ensure the Group is able to meet its obligations as they come due. The funds raised will support the Group's short-term working capital requirements for the launch of the two aforementioned contract wins, as well as having repaid the related party loans outstanding of £1.45m in addition to strengthening our balance sheet.

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 a 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 (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 stand-alone 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 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 member's 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 member's booking and it controls the components before transferring to the member. Revenue represents amounts received or receivable for the sale of package holidays and other services supplied to members. Revenue is recognised when the performance obligation on delivering an integrated package holiday or service is satisfied, usually over the duration of the holiday.

Offers and benefits revenue

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

Digital platform revenue

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

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

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

Revenue generated from developing digital products specific to a customer 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
- expenditure on the development of the asset can be measured reliably

Other development expenditure is recognised in the income statement as an expense as it is 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:

Capitalised development costs	2 to 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.

1. Accounting policies continued

1.6 Intangible assets continued

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

1.7 Property, plant, and equipment

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

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

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

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

1.8 Non-current investments

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

1.9 Impairment of tangible and intangible assets

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

1.10 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash in transit, and restricted cash. Restricted cash includes balances held on deposit with financial institutions and amounts held as guarantees. These restricted funds are designated for specific purposes and are not available for general business operations until the restrictions are satisfied or the terms of the guarantees are fulfilled.

1.11 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.

In adopting IFRS 9, the Group has applied the simplified approach by applying a provision matrix based on the 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. Accounting policies continued

1.12 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.

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

Research and development tax credit

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the 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.

1.15 Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset. 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. Accounting policies continued

1.16 Employee benefits

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

1.17 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 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 the 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. Accounting policies continued

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 IFRS 16 "Leases"

The Group leases various properties for office space and events. 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
- 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
- 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.

1.22 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.

1.23 Exceptional items

Exceptional items are non-recurring items that are outside the normal course of business and significant enough to merit separate disclosure. These items may include, but are not limited to, costs related to restructuring, impairments, disposal of assets, significant legal settlements, or other unusual events. Exceptional items are recognised in the statement of profit or loss when incurred and are reported separately to provide clarity regarding the entity's underlying performance.

Management applies judgement to determine whether an item is classified as exceptional based on its nature, frequency, and materiality. This judgement considers industry norms, regulatory guidance, and the item's potential to obscure underlying performance.

2. Adoption of new and revised standards

There are no new standards not yet effective or 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: £6.7m (2023: £7.3m).

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 approved budget forecast, 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 10% would result in a £608k change 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 change by one year this would result in a corresponding change in the deferred tax asset of £1,217k.

Useful economic lives

Capitalised development costs in respect of TenMAID, the Ten Digital Platform, and servicing infrastructure are amortised over their useful lives of two to 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 £2.8m (2023: £2.5m), while an increase of the same amount would reduce the amortisation expense by £2.6m (2023: £2.4m).

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"). 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.

	2024 £'000	2023 £'000
Europe	**26,379**	25,914
Americas	**25,006**	25,834
AMEA	**11,518**	11,255
Net Revenue	**62,903**	63,003
Add back: cost of sales on principal transactions	**4,361**	3,653
Revenue	**67,264**	66,656
Europe	**10,444**	9,207
Americas	**604**	1,943
AMEA	**1,753**	854
Adjusted EBITDA	**12,801**	12,004
Amortisation	**(5,770)**	(5,287)
Depreciation	**(3,332)**	(2,916)
Share-based payment expense	**(900)**	(908)
Exceptional items	**(723)**	(1,098)
Operating profit	**2,076**	1,795
Foreign exchange loss	**(507)**	(220)
Other net finance expense	**(1,032)**	(651)
Profit before taxation	**537**	924
Taxation credit	**485**	3,623
Profit for the year	**1,022**	4,547

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 £30,740k (2023: £29,567k).

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.

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:

	2024 £'000	2023 £'000
Direct concierge service revenue	**52,835**	52,257
Offers and benefits revenue	**949**	1,170
Indirect concierge service revenue	**11,982**	11,095
Digital platform revenue	**1,498**	2,134
Gross revenue	**67,264**	66,656

	2024 £'000	2023 £'000
Corporate revenue	**55,282**	55,561
Supplier revenue	**11,982**	11,095
Total revenue	**67,264**	66,656
Supplier revenue (cost of sales on principal member transactions)	**(4,361)**	(3,653)
Net Revenue	**62,903**	63,003

	2024 £'000	2023 £'000
Revenue from services as principal	**60,640**	61,416
Revenue from services as agent	**6,624**	5,240
	67,264	66,656

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 CEO, who is considered to be the chief operating decision maker. Adjusted EBITDA is the principal operating metric for a segment.

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

Three corporate clients (2023: three) generated more than 10% of total revenue each during the year ended 31 August 2024. The total combined revenue of these corporate clients was £24.8m (2023: £23.9m) and was mainly included in the Europe and Americas segments.

5. Exceptional items

	2024 £'000	2023 £'000
Restructuring costs	**723**	995
Loss on disposal of subsidiary and restructuring	**—**	18
Provision for overseas tax authority costs	**—**	85
	723	1,098

The Group recognised an exceptional charge relating to restructuring costs of £723k (2023: £995k). The cost is made up of redundancy costs incurred during the year of £723k.

6. Operating profit

Operating profit for the year is stated after charging:

	2024 £'000	2023 £'000
Research and development costs not capitalised	**649**	1,114
Depreciation of property, plant, and equipment	**502**	511
Depreciation of right-of-use asset	**2,830**	2,405
Amortisation of intangible assets	**5,770**	5,287
Bad debt expense	**36**	103
Exceptional items	**723**	1,098

7. Auditor's remuneration

	2024 £'000	2023 £'000
For audit services		
Audit of the financial statements of the Company	**180**	170
Audit of the financial statements of the Company's subsidiaries	**62**	36
	242	206
For other services		
Tax services for the Company's subsidiaries	**32**	20
Other services	**13**	5
	45	25

8. Employees

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

	2024 Number	2023 Number
UK	**185**	189
International	**1,083**	1,055
	1,268	1,244

Their aggregate remuneration comprised:

	2024 £'000	2023 £'000
Wages and salaries	**34,915**	35,499
Social security costs	**5,083**	4,881
Pension costs	**1,113**	1,081
Share-based payments (note 29)	**900**	908
	42,011	42,369

9. Directors' remuneration

	2024 £'000	2023 £'000
Remuneration for qualifying services	**1,301**	1,100
Pension contributions to defined contribution schemes	**20**	14
	1,321	1,114

Full details of Directors' remuneration are presented in the Remuneration Committee Report on pages 61 to 65.

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

	2024 £'000	2023 £'000
Remuneration for qualifying services	**362**	316
Share-based payments – expense	**19**	54
	381	370

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2023: two).

10. Key management personnel

	2024 £'000	2023 £'000
Short-term employee benefits	**1,609**	1,573
Termination costs	**—**	142
Post-employment benefits	**28**	22
Share-based payments – gain on the exercise of share options during year	**370**	37
	2,007	1,774

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 November 2023, the Group raised £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 2% per annum during the term of the loan, with a 1% administration fee payable in cash at drawdown repayable in November 2026. The £250k of loan notes were part of a larger loan note raise, the details of which are disclosed as part of note 26. This loan of £250k was repaid subsequent to year end.

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

	2024 £'000	2023 £'000
Losses on foreign exchange	**507**	220
Interest on bank overdrafts and loans	**53**	62
IFRS 16 interest charge	**408**	216
Loan interest	**577**	380
Interest Income	**(6)**	(7)
Total finance expense	**1,539**	871

14. Income tax credit

	2024 £'000	2023 £'000
Current tax		
Foreign taxes related to current year	**966**	843
Prior year adjustments	**(152)**	(169)
Deferred tax		
Original and reversal of timing differences	**439**	1,009
Historical losses recognised	**(1,738)**	(5,306)
Total tax credit	**(485)**	(3,623)

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

	2024 £'000	2023 £'000
Profit before taxation	**537**	924
Expected tax credit based on a corporation tax rate of 25.0% (2023: 21.5%*)	**134**	199
Effect of expenses not deductible in determining taxable profit	**133**	60
Effect of taxes related to previous years	**(152)**	(169)
Origination and reversal of timing differences	**439**	1,009
Recognition of historical tax losses	**(1,738)**	(5,306)
Overseas tax rate differences	**699**	584
Taxation credit for the year	**(485)**	(3,623)

* A blended rate of 21.5% was used in the prior period following the change in the corporate tax rate from 19% to 25% on 1 April 2023.

15. Earnings per share

Basic earnings per share	2024 £'000	2023 £'000
Profit attributable to equity shareholders of the parent	**1,022**	4,547
Weighted average number of ordinary shares in issue (net of treasury)	**85,850,877**	83,894,193
Basic profit (pence)	**1.2p**	5.4p

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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 (2023: 5.2p).

Diluted earnings per share	2024 £'000	2023 £'000
Profit attributable to equity shareholders of the parent	**1,022**	4,547
Weighted average number of ordinary shares in issue (net of treasury)	**89,216,913**	86,986,163
Diluted profit per share (pence)	**1.1p**	5.2p

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	2024 £'000	2023 £'000
Profit attributable to equity shareholders of the parent	**1,022**	4,547
Excluding exceptional items and taxes		
Exceptional items	**723**	1,098
Recognition of historical tax losses	**(1,738)**	(5,306)
Underlying profit attributable to equity shareholders of the parent	**7**	339
Basic weighted average number of ordinary shares in issue (net of treasury)	**85,850,877**	83,894,193
Basic underlying profit per share (pence)	**0.0p**	0.4p
Diluted weighted average number of ordinary shares in issue (net of treasury)	**89,216,913**	86,986,163
Diluted underlying profit per share (pence)	**0.0p**	0.4p

Underlying earnings per ordinary share

Underlying earnings per share is calculated by adjusting the profit 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

	2024 £'000	2023 £'000
Deferred Tax		
Credited/(charged) to the statement of comprehensive income		
Historical losses	**1,738**	4,999
Movement in other temporary differences	**(439)**	(702)

16. Deferred tax continued

Deferred tax	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
Opening balance as at 1 September 2023	(1,672)	715	4,999	255	4,297
Credited/(charged) to the statement of comprehensive income					
Movement in deferred tax balances	(458)	9	—	10	(439)
Utilisation of historical losses	—	—	(639)	—	(639)
Recognition of historical losses	—	—	1,738	—	1,738
Closing balance as at 31 August 2024	**(2,130)**	**724**	**6,098**	**265**	**4,957**

As at 31 August 2024, the Group has unused tax losses of £54.8m (2023: £61.1m) that are available for offset against future taxable profits. During the year ended 31 August 2024, a deferred tax asset has been recognised in respect of £24.7m of such losses (2023: £21.0m). 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 £30.1m (2023: £40.1m). The losses that remain unrecognised are not expected to expire. Further information about the recoverability of the recognised deferred tax asset is contained the "Critical Accounting Estimates and Judgements" section of these notes.

17. Intangible assets

	Capitalised development costs £'000	Website £'000	Total £'000
Cost			
At 31 August 2022	41,484	1,909	43,393
Additions	7,284	—	7,284
At 31 August 2023	48,768	1,909	50,677
Additions	6,725	—	6,725
At 31 August 2024	**55,493**	**1,909**	**57,402**
Accumulated amortisation			
At 31 August 2022	28,087	1,909	29,996
Charge for the year	5,287	—	5,287
At 31 August 2023	33,374	1,909	35,283
Charge for the year	5,770	—	5,770
At 31 August 2024	**39,144**	**1,909**	**41,053**
Carrying amount			
At 31 August 2023	15,394	—	15,394
At 31 August 2024	**16,349**	**—**	**16,349**

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

18. Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost				
At 31 August 2022	83	392	3,565	4,040
Additions	84	11	436	531
Disposals	(22)	—	—	(22)
Exchange movement	(18)	(9)	(174)	(201)
At 31 August 2023	127	394	3,827	4,348
Addition	25	5	264	294
Disposals	(73)	(85)	(523)	(681)
Reclassification	—	—	—	—
Exchange movements	(3)	(1)	(23)	(27)
At 31 August 2024	**76**	**313**	**3,545**	**3,934**
Accumulated depreciation				
At 31 August 2022	71	337	2,693	3,101
Charge for the year	21	45	445	511
Disposals	(20)	—	—	(20)
Exchange movements	(17)	(5)	(134)	(156)
At 31 August 2023	55	377	3,004	3,436
Charge for the year	27	6	469	502
Disposals	(60)	(83)	(523)	(666)
Exchange movements	(1)	—	27	26
At 31 August 2024	**21**	**300**	**2,977**	**3,298**
Carrying amount				
At 31 August 2023	72	17	823	912
At 31 August 2024	**55**	**13**	**568**	**636**

19. Right-of-use assets

	Land and buildings £'000
At 1 September 2022	2,274
Additions	1,573
Terminations	(88)
Lease modifications	605
Depreciation	(2,405)
Translation	(48)
At 31 August 2023	1,911
Additions	6,238
Terminations	(23)
Lease modifications	277
Depreciation	(2,830)
Translation differences	(84)
At 31 August 2024	**5,489**
Carrying amount	
At 31 August 2023	1,911
At 31 August 2024	**5,489**

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

20. Subsidiaries

Details of the Company's subsidiaries at 31 August 2024 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	9th floor, Regent's Place, 338 Euston Road, London NW1 3BG, United Kingdom
Ten Lifestyle Management (Asia) Limited	Unit 20-125 WeWork, City, Plaza Phase 3, Taikoo, Hong Kong
Ten Lifestyle Management USA Inc	10801 W Charleston Blvd, Unit 02 179, Las Vegas, NV 89135, United States of America
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 Gomes De Carvalho 911– 3º andar – São Paulo SP 04547-003, 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, Australia
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 and 31-08, PO Box 115738, Dubai, United Arab Emirates

The registered office of the dormant subsidiaries incorporated in the UK is 9th floor, Regent's Place, 338 Euston Road, London NW1 3BG, United Kingdom.

21. Trade and other receivables

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

	2024 £'000	2023 £'000
Trade receivables	**4,031**	5,982
Provision for bad and doubtful debts	**(488)**	(439)
	3,543	5,543
Other receivables	**2,008**	1,579
Prepayments and accrued income	**6,857**	4,486
	12,408	11,608

Movements in Group contract assets and liabilities were as follows:

	2024 £'000	2023 £'000
Accrued income (decreased)/increased	**(78)**	264

All accrued income recognised at 31 August 2023 was released during the year.

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

22. Trade receivables – credit risk

Ageing of due and past due but not impaired debts	2024 £'000	2023 £'000
0–30 days	**2,426**	4,873
30–60 days	**556**	343
60–90 days	**98**	111
90–120 days	**41**	181
120+ days	**910**	474
	4,031	5,982
Provision for bad and doubtful debts	**(488)**	(439)
	3,543	5,543

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	**2,426**	**(52)**	**-2%**
30–60 days	**556**	**(27)**	**-5%**
60–90 days	**98**	**(23)**	**-23%**
90–120 days	**41**	**(24)**	**-59%**
120+ days	**910**	**(362)**	**-40%**
	4,031	**(488)**	

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

	2024 £'000	2023 £'000
Opening balance	**439**	336
Movement in provision	**49**	103
Closing balance	**488**	439

23. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at banks and on hand – unrestricted	**7,915**	6,982
Cash at banks and on hand – restricted	**992**	1,100
Cash in transit	**360**	147
Cash and cash equivalents	**9,267**	8,229

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 (2023: £196k).

24. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**1,370**	1,550
Accruals and deferred income	**13,710**	14,845
Social security and other taxation	**2,760**	2,950
Other payables	**1,391**	714
	19,231	20,059

	2024 £'000	2023 £'000
Deferred (decrease)/increase	**(1,819)**	1,200

All deferred income recognised at 31 August 2023 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

	2024 £'000	2023 £'000
Provision for overseas liabilities	**931**	931
Movements on provisions:		
At beginning of period	**931**	846
Movement in provision	**(333)**	85
At end of period	**598**	931

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

26. Borrowings

	2024 £'000	2023 £'000
Current	**4,389**	1,622
Non-current	**1,011**	2,950
	5,400	4,572

Ten Lifestyle Management Limited has entered into additional loan notes of £1.1m (2023: £1.2m) during the year, of which £250k was a related party loan as per note 11. The loans 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, with a 1% administration fee payable in cash at drawdown. The additional loans of £1.1m are repayable on the 25 November 2026. The loans have been recognised using the effective interest rate method, for which the average rate is 12.2% (2023: 8.3%).

On 25 January 2023 the Group entered an invoice financing facility available up to a maximum of £2.1m, of which £14k (2023: £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 Ltd that are denominated in US Dollars and Sterling. The trade receivables guaranteed under the arrangement totalled £223k (2023: £122k). The Group retains the credit risk associated to these trade receivables and therefore presents these trade receivables as 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.

The Group has repaid £0.3m (2023: £nil) of loans in the year.

27. Lease liabilities

	2024 £'000	2023 £'000
Lease liabilities		
In one year or less	**761**	1,967
Between one and five years	**3,853**	571
Over five years	**2,981**	—
Total undiscounted lease liabilities at 31 August 2024	**7,595**	2,538
Lease liabilities included in the statement of financial position at 31 August 2024		
Current	**1,236**	1,738
Non-current	**4,360**	399
	5,596	2,137
Lease liability payments allocation		
Lease liability repayments	**2,806**	2,538
Interest expense on lease liabilities	**403**	216

	Land and buildings £'000
At 31 August 2023	2,137
Additions	6,108
Payments	(3,209)
Interest	408
Terminations	(28)
Lease modifications	277
Translation differences	(97)
At 31 August 2024	**5,596**
Carrying amount	
At 31 August 2023	2,137
At 31 August 2024	**5,596**

Discount rate

The discount rate used is based on the Group's estimated cost of debt. The average discount rate applied is 9.11% (2023: 10.41%), which is the Group's incremental borrowing rate.

28. Share capital

	2024 £'000	2023 £'000
86,565,483 (2023: 84,738,773) Ordinary Shares of £0.001 each	**86,565**	84,739
	86,565	84,739

There were 1.827m shares issued during the financial year ended 31 August 2024 (2023: 997k). 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 (2023: 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 2024 is 4.9 years.

The total expense recognised for year ended 31 August 2024 arising from equity-settled share-based payment transactions amounted to £0.9m (2023: £0.9m).

	Number	Weighted average exercise price £
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
Granted in the year – CSOP	738,543	0.804
Exercised in the year – CSOP	(559,650)	0.700
Lapsed in the year – CSOP	(460,564)	0.791
Granted in the year – MIP	1,095,000	0.014
Exercised in the year – MIP	(227,467)	—
Lapsed in the year – MIP	93,501	—
Exercised in the year – SSS	(1,049,593)	0.700
Lapsed in the year – SSS	(647,593)	1.010
Number of options outstanding at 31 August 2024	**11,745,292**	**0.670**

29. Share options continued

	As at 31 August 2024	As at 31 August 2023	Exercise price £	Remaining contractual life
EMI				
December 2015 to December 2025	**34,968**	34,968	0.563	1.29
MIP				
December 2017 to December 2027	**32,000**	124,000	0.001	3.29
April 2018 to April 2028	**—**	68,966	0.001	3.63
September 2018 to September 2028	**112,360**	112,360	0.001	4.05
November 2018 to November 2028	**344,828**	344,828	0.001	4.21
June 2019 to June 2029	**378,000**	426,000	0.001	4.79
December 2019 to December 2029	**401,200**	96,000	0.001	5.30
December 2020 to December 2030	**488,800**	655,000	0.001	6.30
August 2022 to August 2032	**612,000**	676,000	0.001	7.96
September 2023 to September 2033	**612,000**	—	0.001	9.03
December 2023 to December 2033	**483,000**	—	0.001	9.33
CSOP				
August 2017 to August 2027	**260,000**	440,000	0.750	2.96
March 2018 to March 2028	**9,375**	9,375	1.600	3.54
May 2018 to May 2028	**22,222**	22,222	1.350	3.71
September 2018 to September 2028	**34,483**	34,483	0.870	4.05
December 2018 to December 2028	**—**	33,857	0.350	4.30
January 2019 to January 2029	**—**	67,781	0.440	4.38
April 2019 to April 2029	**—**	45,802	0.660	4.63
June 2019 to June 2029	**134,832**	134,832	0.890	4.79
July 2019 to July 2029	**25,424**	25,424	1.180	4.88
August 2019 to August 2029	**226,890**	289,915	1.190	4.96
September 2019 to September 2029	**—**	18,987	0.790	5.05
October 2019 to October 2029	**12,295**	12,295	1.220	5.13
August 2020 to August 2030	**—**	18,987	0.790	5.96
September 2020 to September 2030	**851,399**	1,168,840	0.770	6.05
March 2021 to March 2031	**14,018**	14,018	1.070	6.54
June 2021 to June 2031	**15,600**	15,600	1.045	6.79
August 2021 to August 2031	**—**	14,218	1.060	6.96
December 2021 to December 2031	**376,877**	482,403	1.000	7.30
May 2022 to May 2032	**96,773**	121,363	0.620	7.71
October 2022 to October 2032	**1,000,000**	968,750	0.480	8.13
November 2023 to November 2033	**559,000**	—	0.920	9.23
February 2024 to February 2034	**18,293**	—	0.820	9.46
SSS				
March 2020 to March 2023	**—**	1,184,677	0.700	—
July 2020 to March 2026	**1,061,384**	1,241,679	1.200	0.67
November 2020 to March 2026	**1,866,010**	2,088,573	1.000	0.67
March 2021 to March 2026	**1,661,261**	1,770,912	1.100	0.67
	11,745,292	12,763,115		

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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 £0.45.

Management Incentive Plan

There were two grants during the period of MIP options, totalling 1,095,000 (2023: nil) of new options granted under the Management Incentive Plan. 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. An extension of the remaining 4,588,655 options outstanding was granted during the year, extending these options to March 2026.

Company share Option Plan

Under the CSOP, 738,543 (2023: 984,632) options were issued to eligible employees in the 2024 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 2024 were as follows:

2023	CSOP
Grant month	Oct 22
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	0
Weighted average option life (years)	5.0
Weighted average fair value at date of grant	£0.46

2024	CSOP	CSOP	MIP	MIP	MIP
Grant month	Oct 22	Nov 23	Sep 23	Sep 23	Dec 23
Weighted average share price	£0.48	£0.92	£0	£0	£0
Weighted average exercise price	£0.48	£0.92	£0	£0	£0
Expected volatility	54%	53%	40%	54%	40%
Weighted average risk free rate	3.64%	3.73%	3.55%	4.53%	3.55%
Expected dividend yield	0	0	0	0	0
Weighted average option life (years)	5.0	5.0	3.0	5.0	3.0
Weighted average fair value at date of grant	£0.22	£0.54	£0.40	£0.88	£0.40

2024	CSOP
Grant month	Feb 24
Weighted average share price	£0.82
Weighted average exercise price	£0.82
Expected volatility	44%
Weighted average risk free rate	4.24%
Expected dividend yield	0
Weighted average option life (years)	5.0
Weighted average fair value at date of grant	£0.36

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

29. Share options continued

Company Share Option Plan continued

Valuation of share options continued

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

30. Capital commitments

At 31 August 2024 the Group had no material capital commitments (2023: £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

	2024 £'000	2023 £'000
Cash at banks and on hand – unrestricted	**8,275**	7,129
Cash at banks and on hand – restricted	**992**	1,100
Trade and other receivables	**6,039**	9,253

Financial liabilities

	2024 £'000	2023 £'000
Trade and other payables	**2,761**	2,410
Lease liabilities	**5,596**	2,137
Borrowings	**5,400**	4,572

The Directors consider that the carrying amounts for all financial assets and liabilities approximate 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 Dollars, and Japanese Yen to Sterling and the translation of net assets denominated in Euros, US Dollars, Swiss Francs, Brazilian Real, Australian Dollars, 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 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
Year ended 31 August 2024						
Average rate	**1.17**	**1.26**	**1.12**	**190.05**	**6.46**	**1.92**
Year-end spot rate	**1.19**	**1.31**	**1.12**	**191.89**	**7.37**	**1.94**

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

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

	Profit or loss	
	2024 £'000	2023 £'000
Euro	**76**	142
US Dollar	**(403)**	(396)
Swiss Franc	**(193)**	(119)
Japanese Yen	**13**	(28)
Brazilian Real	**36**	14
Australian Dollar	**(54)**	(55)
Other	**(363)**	(321)
	(888)	(763)

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 is at fixed rates. The invoice discounting facility incurs interest at a rate of 2% above the base rate and is therefore impacted by changes in the underlying base rate.

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. A secondary additional placing after the year end raised a further £5.9m of gross proceeds. 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 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
At 31 August 2024				
Trade and other payables	**2,761**	**—**	**—**	**2,761**
Long-term loan	**4,389**	**1,011**	**—**	**5,400**
Lease liabilities	**1,236**	**4,360**	**—**	**5,596**

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)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group carries no financial instruments that 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 financial year, the Group has:

- Won a significant multi-year Extra Large contract in the USA with an existing global corporate client. Ten will transition service from the incumbent high-touch provider in late H1 FY 2025, with the launch of its digitally enabled concierge platform scheduled for H2 FY 2025
- Won a Medium contract in AMEA with a new corporate client, which is expected to transition from the incumbent provider in late H1 FY 2025

In addition, the Group has:

- Raised gross proceeds of £5.9m through the secondary placing of 9,332,853 new Ordinary Shares at 63 pence per share. The funds raised will support the Group's short-term working capital requirements for the launch of the two contract wins, as well as having repaid related party loans outstanding of £1.45m in addition to strengthening its balance sheet.

There are no further subsequent events.

Company Statement of Financial Position
as at 31 August 2024

Company No: 08259177

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments	33	**50,362**	49,500
Total non-current assets		**50,362**	49,500
Current assets			
Trade and other receivables	34	**9**	10
Cash and cash equivalents	36	**5**	6
Amounts due from Group undertakings	34	**2,408**	1,600
Total current assets		**2,422**	1,616
Total assets		**52,784**	51,116
Current liabilities			
Trade and other payables	35	**(195)**	(159)
Total current liabilities		**(195)**	(159)
Net current assets		**2,227**	1,457
Net assets		**52,589**	50,957
Equity			
Called up share capital	28	**87**	85
Share premium account		**32,389**	31,272
Retained earnings		**20,113**	19,600
Total equity		**52,589**	50,957

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 £349,000 (2023: £255,000 loss).

The financial statements were approved by the Board of Directors and authorised for issue on 12 November 2024 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 2024

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 September 2022		84	30,658	19,226	49,968
Loss for the period		—	—	(255)	(255)
Total comprehensive loss for the period		—	—	(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
Loss for the period		—	—	(349)	(349)
Total comprehensive loss for the period		—	—	(349)	(349)
Equity-settled share-based payments charge	29	—	—	862	862
Issue of new share capital		2	1,117	—	1,119
Balance at 31 August 2024		**87**	**32,389**	**20,113**	**52,589**

Company Statement of Cash Flows
for the year ended 31 August 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Loss for the year after tax		**(349)**	(255)
Movement in working capital:			
Increase in trade and other receivables		**(807)**	(405)
Increase in trade and other payables		**36**	45
Net cash used by operating activities		**(1,120)**	(615)
Cash flows from financing activities			
Proceeds from issue of shares		**1,119**	615
Net cash generated by financing activities		**1,119**	615
Net decrease in cash and cash equivalents		**(1)**	—
Cash and cash equivalents at beginning of year		**6**	6
Cash and cash equivalents at end of the period		**5**	6

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

	2024 £'000	2023 £'000
Investments in subsidiaries	**50,362**	49,500
Cost		
At 31 August 2023	**49,500**	48,870
Additions	**862**	630
At 31 August 2024	**50,362**	49,500
Carrying amount		
At 31 August 2023	**49,500**	
At 31 August 2024	**50,362**	

The addition in the year represents capital contributions of £0.86m made to the Company's subsidiaries in respect of the share option expense recognised on share options issued by the Company to employees of the appropriate subsidiaries.

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

In the opinion of the Directors the value of the investment in the subsidiary undertakings is not less than the amount shown above. As a result, no impairment has been recorded in the year (2023: £nil).

34. Trade and other receivables

	2024 £'000	2023 £'000
Trade and other receivables	**9**	10
Amounts due from Group companies	**2,408**	1,600
	2,417	1,610

Amounts due from Group companies are unsecured, interest-free, have no fixed repayment terms, and are repayable on demand.

35. Trade and other payables

	2024 £'000	2023 £'000
Accruals	**195**	159
	195	159

36. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at banks and on hand – unrestricted	**5**	6
Cash and cash equivalents	**5**	6
Cash and cash equivalents in the statement of cash flows	**5**	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

	2024 £'000	2023 £'000
Cash at bank and in hand – unrestricted	**5**	6
Amounts due from Group companies	**2,408**	1,600
Trade and other receivables	**9**	10

Financial liabilities

	2024 £'000	2023 £'000
Trade and other payables	**195**	160