

Eden Midco 1 Limited

Annual report and financial statements

Registered number 10489443

For the year ended 31 December 2021

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is to act as an intermediate holding company.

Directors and directors' interests

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

T E Easingwood
J R SJ Lenane
N F Doe
J W Owen

The shareholdings of the directors of Eden Midco 1 Limited in the Company's ultimate holding company, Go City Holdings Limited (formerly The Leisure Pass Group Holdings Limited), are disclosed in the financial statements of that company. None of the directors who held office at the end of the year had any disclosable interest in the shares or debentures of the Company.

Qualifying third party indemnity provisions

The Company has indemnified the directors of the Company against liability in respect of proceedings brought by third parties, subject to conditions set out in Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of approving the directors' report.

Financial risk management

The Company is exposed to a variety of financial risks that include interest rate risk and liquidity risk.

Interest rate risk

The borrowings of the Company are at a fixed rate. The amounts receivable from related undertakings are interest free.

Liquidity risk

Liquidity risk is the risk that the Company cannot settle its liabilities as they fall due. Liquidity risk is managed on a Group basis. Management monitor rolling forecasts of the Group's liquidity position which comprise undrawn revolving credit facilities and cash on the basis of expected cash flows.

Political contributions

The Company made no political contributions or incurred any political expenditure during the year (2020: \$nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report (continued)

Going concern

The Company holds intercompany receivables balances and had net current assets of \$150,803k (2020: \$151,000k). It has issued unsecured loan notes with a carrying value of \$233,506k (2020: \$211,553k) and are repayable on 14 June 2025. Interest rolls up and is repayable on maturity.

At the date of these financial statements the Directors have carried out a detailed and comprehensive review of the business and its future prospects. As the company has a significant intercompany receivable, they have considered the forecast future performance, anticipated cash flows and the available facilities contained in the Go City Holdings Limited group banking arrangements. In preparing these financial statements management have prepared cash flow forecasts and projections for the Go City Holdings Limited Group, taking account of reasonably possible changes in trading performance. The Company has also obtained a letter of support from Go City Holdings Limited stating their intention to provide funding requirements for at least 12 months from the date of signing of the financial statements

Based on the Directors' current forecasts and plans, and taking into account existing cash and debt facilities, the Go City Holdings Group ("the Group"), the group to which Eden Midco 1 is part of, is forecast to remain within its covenant forecast and facilities. Accordingly, the directors have prepared the financial statements on a going concern basis.

Independent auditors

Pursuant to Section 418 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



N F Doe

Director

8th April 2022

25 Soho Square

London

W1D 3QR

Strategic report

Business review, results and dividends

The results for the year ended 31 December 2021 are set out on page 10.

During the year, the Company continued to be the issuer of unsecured loan notes and interest of \$21,953,000 (2020: \$18,093,000) was accrued on the loan notes during the year.

No dividends were paid or declared during the year to 31 December 2021 (2020: nil).

The Go City Holdings Limited Group Strategic Report contains details of the impact of COVID-19 on the Group.

Risks and uncertainties

The principal risks of the business are the financial risks as described in the directors' report. Eden Midco 1 Limited is part of Go City Holdings Limited, which operates within the travel industry and has been impacted by COVID-19. Further details of the impact of COVID 19 and risks and uncertainties of the Go City Holdings Limited group is contained within the Go City Holdings Limited Group Strategic Report.

Key Performance Indicators

The Company is an intermediate holding company within the Go City Holdings Limited Group and as such has no significant activity in its own right. The Company's principal subsidiary is Go City Limited (formerly The Leisure Pass Group Limited) and that company's financial statements contain a full Strategic Report covering its activities. Furthermore the Go City Holdings Limited Group Strategic Report contains details of the Group's activities.

Section 172 (1) statement

From the perspective of the board, as a result of the Go City Holdings Limited Group (the "Group") governance structure, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the group board in relation to both the group and to this entity. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the group board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 3 of the group's annual report, which does not form part of this report.

On behalf of the board



N F Doe

Director

8th April 2022

25 Soho Square

London

W1D 3QR

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
 - they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.
-

Independent auditors' report to the members of Eden Midco 1 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Eden Midco 1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We performed a full scope audit of the complete financial statements of Eden Midco 1 Limited
- We performed substantive audit procedures over all of the material financial statement line items, including the notes payables balances and intercompany balances

Key audit matters

- Recoverability of amounts owed by group undertakings

Materiality

- Overall materiality: US\$1,540,000 (2020: £1,549,000) based on 1% of total assets.
- Performance materiality: US\$1,155,000 (2020: US\$1,161,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Independent auditors' report to the members of Eden Midco 1 Limited (continued)

Impact of the COVID - 19 pandemic, which was a key audit matter last year, is no longer included because of our reassessment of the risk and concluded that this is no longer as a significant risk. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of amounts owed by group undertakings</i></p> <p>The Company has intercompany receivables of \$154,812,000 as at 31 December 2021 which is material to the financial statements. In particular, we focussed our audit on the recoverability of these group receivables. The directors' assessment of the recoverability of the receivables is based on the absence of any objective evidence of impairment in the underlying trade of the group. Their assessment focussed on the historic, current and forecast performance of the trading entities, including the potential impact of COVID-19, reflecting the fact that, ultimately, the balance due will be recovered on the sale of the underlying business. The judgement applied by the directors to identify objective evidence of impairment and the size of the balance resulted in it being classified as an area of focus.</p>	<p>We obtained a breakdown of the intercompany balances as at the balance sheet date and traced these to the corresponding balance in the counterparty financial statements to confirm the accuracy of the balances. We have evaluated the directors' assertion that no objective evidence of impairment has been identified and we have found no exceptions. We have evaluated the directors' assessment of the value of the underlying business and found no exceptions. We considered other procedures such as inquiries and minutes review to assess whether any future or enacted changes impact the ability of the counterparties to meet their obligations and did not identify any relevant matters that would impact the recoverability of amounts owed. Furthermore, we have re-calculated the expected credit loss provision and noted this to be immaterial. Based on the work performed we found that the recoverability of amounts owed by group undertakings were supported by the evidence we obtained.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Our audit scope includes a full scope audit of the complete financial statements of Eden Midco 1 Limited. All accounting processes and controls are centralised in the UK for the company.

We determined the most effective approach to scoping was to perform a full scope audit of the complete financial statements through performing substantive audit procedures over all of the material financial statement line items, including the notes payables balance and intercompany balances.

Independent auditors' report to the members of Eden Midco 1 Limited (continued)

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

<i>Overall company materiality</i>	US\$1,540,000 (2020: £1,549,000).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	The entity is an intermediate holding company with no trading activity other than the issuance of loan notes and the provision of funding to other group companies. As such an asset based measure is considered to be an appropriate benchmark to enable users to assess the performance of the entity. This is a generally accepted auditing benchmark for holding companies.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to US\$1,155,000 (2020: US\$1,161,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$77,000 (2020: \$77,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Eden Midco 1 Limited (continued)

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report 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 Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.~~

Auditors' 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 auditors' 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.

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.

Independent auditors' report to the members of Eden Midco 1 Limited (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Review of minutes of meetings of those charged with governance
- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Testing certain journal entries with certain unusual account combinations;
- Enquiry of management regarding any known non-compliance with laws and regulations
- Review of corporation tax filings for compliance with the applicable laws and regulations
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
8 April 2022

Statement of Comprehensive Income
for the year ended 31 December 2021

	<i>Note</i>	Year ended 31 December 2021 \$000	Year ended 31 December 2020 \$'000
Administrative expenses		(197)	(140)
Operating loss	2	(197)	(140)
Interest payable and similar expenses	5	(22,083)	(18,129)
Loss before taxation		(22,280)	(18,269)
Tax on loss	6	-	-
Loss for the financial year		(22,280)	(18,269)
Other comprehensive income/(expense)		-	-
Total comprehensive expense for the financial year		(22,280)	(18,269)

All results arose from continuing operations.

The notes on pages 13 to 19 form part of these financial statements.

Statement of Financial Position

As at 31 December 2021

	Note	2021		2020	
		\$'000	\$'000	\$'000	\$'000
Fixed assets					
Investments	7		-		-
Current assets					
Debtors: amounts falling due within one year	8	154,812		154,714	
Cash at bank and in hand		1		202	
		154,813		154,916	
Creditors: amounts falling due within one year	9	(4,010)		(3,916)	
Net current assets			150,803		151,000
Total assets less current liabilities			150,803		151,000
Creditors: amounts falling due after more than one year	10		(233,139)		(211,056)
Net Liabilities			(82,336)		(60,056)
Capital and reserves					
Called up share capital	12		-		-
Share premium account			1,095		1,095
Accumulated losses			(83,431)		(61,151)
Total shareholders' deficit			(82,336)		(60,056)

The notes on pages 13 to 19 form part of these financial statements.

These financial statements on pages 10 to 19 were approved by the board of directors on 8th April 2022 and were signed on its behalf by:

N F Doe
Director

Company registered number: 10489443

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital	Share Premium account	Accumulated losses	Total shareholders deficit
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	-	1,095	(42,882)	(41,787)
Loss for the financial year	-	-	(18,269)	(18,269)
Total comprehensive expense for the year	-	-	(18,269)	(18,269)
Balance as at 31 December 2020 and 1 January 2021	-	1,095	(61,151)	(60,056)
Loss for the financial year	-	-	(22,280)	(22,280)
Total comprehensive expense for the year	-	-	(22,280)	(22,280)
Balance as at 31 December 2021	-	1,095	(83,431)	(82,336)

The notes on pages 13 to 19 form part of these financial statements.

Notes to the financial statements (forming part of the financial statements)

1 Accounting policies

General information

Eden Midco 1 Limited (the "Company") is a private limited company incorporated and domiciled in the UK.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), under the historical cost convention and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Summary of disclosure exemptions:

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS1 Presentation of financial statements
 - 10(d) – statement of cash flows
 - 16 – Statement of compliance with all IFRS
 - 134-136 – capital management disclosures
- IAS 7 Statement of cash flows
- IAS 8 Accounting policies, changes in estimates and errors, paragraphs 30 and 31 – New standards issued but not yet effective
- IAS 24 Related party disclosures – related party disclosures with transactions entered into between wholly owned group companies and paragraph 17, key management compensation
- IAS36 Impairment of assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) – Key assumptions and estimates used to measure value in use of cash generating units
- IFRS7 Financial Instrument: Disclosures
- ~~IFRS13 Fair value measurement, paragraphs 91-99 – Valuation techniques used for fair value measurement of assets and liabilities~~

New standards, interpretations and amendments

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 have had a material effect on the financial statements.

Exemption from preparing group financial statements

These financial statements contain information about Eden Midco 1 Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt, under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent Company, The Leisure Pass Group Holdings Limited, a company incorporated in United Kingdom.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Going concern

The Company holds intercompany receivables balances and had net current assets of \$150,803k (2020: \$151,000k). It has issued unsecured loan notes with a carrying value of \$233,506k (2020: \$211,553k) and are repayable on 14 June 2025. Interest rolls up and is repayable on maturity.

At the date of these financial statements the Directors have carried out a detailed and comprehensive review of the business and its future prospects. As the company has a significant intercompany receivable, they have considered the forecast future performance, anticipated cash flows and the available facilities contained in the Go City Holdings Limited group banking arrangements. In preparing these financial statements management have prepared cash flow forecasts and projections for Go City Holdings Limited Group, taking account of reasonably possible changes in trading performance. The Company has also obtained a letter of support from Go City Holdings Limited stating their intention to provide funding requirements for at least 12 months from the date of signing of the financial statements

Based on the Directors' current forecasts and plans, and taking into account existing cash and debt facilities, the Go City Holdings Group ("the Group"), the group to which Eden Midco 1 is part of, is forecast to remain within its covenant forecast and facilities. Accordingly, the directors have prepared the financial statements on a going concern basis.

Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in "US Dollars" (\$) which is also the company's functional currency.

b) Transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of comprehensive income within finance income and expense.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, amounts owed by and to group and related undertakings and issued loan notes.

Amounts owed by group undertakings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Amounts owed to group and related undertakings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Issued loan notes are recognised at fair value, net of transaction costs incurred. Loan notes are subsequently recognised at amortised cost using the effective interest rate method, less any impairment losses.

Fees paid on the establishment of the loan notes, which were used to facilitate the acquisition, have been capitalised and are amortised over the term of the loan notes. Interest on the loan notes has been recognised under finance expense in the statement of comprehensive income.

Dividend distribution

Dividends are recognised as a liability and deducted from equity when approved by the Board of Directors of the Company. Dividends for the period that are approved after the reporting date are dealt with as an event after the reporting date.

Dividend income

Dividend income is recognised when the shareholders' right to receive the payment is established.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimate and assumptions applied in the preparation of the financial statements include the impairment of amounts owed by group undertakings.

Per IFRS 9, the company is required to recognise expected credit loss for all financial assets, including for amounts owed by group undertakings. Amounts owed by group undertakings are all repayable on demand and therefore expected credit loss assumes that repayment is demanded at the reporting date. The expected credit loss calculation requires the use of estimates. No estimated credit loss has been recognised.

2 Operating Loss

The audit fee of \$16,000 (2020: \$16,000) is borne by Go City Limited, another Group company.

3 Staff numbers

The Company is an intermediate holding company and does not employ any staff directly (2020: nil).

4 Directors' remuneration

None of the directors received remuneration for their services to the Company during the year (2020: \$nil).

Notes to the financial statements *(continued)*

5 Interest payable and similar expenses

	Year ended 31 December 2021 \$'000	Year ended 31 December 2020 \$'000
Interest payable and similar expenses		
Interest on loan notes	(21,953)	(18,093)
Amortisation of finance issue costs	(130)	(36)
	(22,083)	(18,129)

6 Tax on loss

a) Tax on loss for the year

	Year ended 31 December 2021 \$'000	Year ended 31 December 2020 \$'000
<i>UK corporation tax</i>		
Current tax for the year	-	-
<i>Deferred tax</i>		
Origination / reversal of timing differences	-	-
Tax on loss for the year	-	-

b) Reconciliation of tax charge for the year

The total tax charge for the year is not equal (2020: not equal) to the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 December 2021 \$'000	Year ended 31 December 2020 \$'000
Loss before taxation	(22,280)	(18,269)
Tax @ 19% (2020: 19%)	(4,233)	(3,471)
Permanent differences	37	25
Interest not deductible	3,599	2,472
Group relief surrendered	597	974
Tax charge for the year (see above)	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This new law was substantively enacted on 24 May 2021 and its effects are included in these financial statements. The overall effect of this change on these financial statements is nil.

Notes to the financial statements (continued)

7 Investments

	Share in group undertakings \$'000
Cost/net book value at 1 January 2021 and 31 December 2021	-

The Company's principal subsidiary undertakings at the year end are as follows:

Subsidiary undertakings	Registered Office	Principal activities	Direct/ Indirect	Class and percentage of shares held
Eden Midco 2 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Direct	Ordinary 100%
Eden Bidco Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Indirect	Ordinary 100%
Newincco 1155 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	indirect	Ordinary 100%
Newincco 1154 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	indirect	Ordinary 100%
Newincco 1153 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	indirect	Ordinary 100%
Newincco 1128 Limited	25 Soho Square, London, W1D 3QR, UK	Holding company	Indirect	Ordinary 100%
Go City Limited (formerly The Leisure Pass Group Limited)	25 Soho Square, London, W1D 3QR, UK	Travel and tourism	Indirect	Ordinary 100%
Go City Pass Ireland Limited (formerly The Leisure Pass Ireland Limited)	Arthur Cox Building, Earlsfort Terrace Dublin 2, Republic of Ireland	Travel and tourism	Indirect	Ordinary 100%
Go City (Asia) Limited (formerly The Leisure Pass Group (Asia) Limited)	25 Soho Square, London, W1D 3QR, UK	Holding company	indirect	Ordinary 100%
Go City Group North America Inc. (Formerly Leisure Pass Group North America Inc.)	155 Federal Street, Suite 700, Boston, MA 02110, US	Holding company	Indirect	Ordinary 100%
Go City North America, LLC (formerly Leisure Pass North America LLC)	155 Federal Street, Suite 700, Boston, MA 02110, US	Travel and tourism	Indirect	Ordinary 100%
Go City, Inc. (formerly Leisure Pass Group Inc)	155 Federal Street, Suite 700, Boston, MA 02110, US	Travel and tourism	Indirect	Ordinary 100%
Smart Destinations Canada Inc	100 King Street W, Suite 6600, 1First Canadian Place, Toronto, Ontario M5X 1B8, Canada	Dormant	Indirect	Ordinary 100%
Go City Pass Asia Pte. Limited (Formerly Leisure Pass Asia Pte. Limited)	80 Robinson Road, 02-00 Singapore 068898.	Travel and Tourism	Indirect	Ordinary 100%

8 Debtors: amounts falling due within one year

	2021 \$'000	2020 \$'000
Amounts owed by group undertakings	154,812	154,714

Amounts owed by group undertakings of \$ 106,990,000 (2020: \$106,892,000) are unsecured, interest free and repayable on demand.

Amounts owed by group undertakings of \$ 47,822,000 (2020: \$47,822,000) relate to intercompany Loan notes owed by Eden Midco 2 Limited, this instrument is unsecured, interest free and is repayable on demand.

Notes to the financial statements *(continued)*

9 Creditors: amounts falling due within one year

	2021 \$'000	2020 \$'000
Amounts owed to group undertakings	3,704	3,704
Amounts owed to related party	306	172
Accruals and deferred income	-	40
	4,010	3,916

Amounts owed to group and related undertakings are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling due after more than one year

	2021 \$'000	2020 \$'000
Amounts falling due after 5 years		
Loan notes and other borrowings (see note 11)	233,139	211,056

11 Loan notes

	2021 \$'000	2020 \$'000
Loan notes – PIK	148,539	148,539
Loan notes	2,720	2,720
Accrued interest on loan notes	82,247	60,294
Less finance issue costs	(632)	(632)
Amortisation of finance issue costs	265	135
	233,139	211,056

The loan notes comprise investor loan notes ("PIK") and Class 1 loan notes in addition to debt issue costs offset against the loan balance and rolled up accrued interest on the loan notes. All the loan notes have a latest maturity date of 14 June 2025.

investor loan notes and class 1 loan notes totalling \$151,173,000 (2020: \$151,173,000) accrue interest at a compound rate of 10% per annum. Interest is rolled up on the balances on a quarterly basis. On 6 November 2017, loan notes with a subscription value of \$130,673,000 were listed on The International Stock Exchange ("TISE"). In addition, there are \$86,000 (2020: \$86,000) of interest free loan notes in issue.

During the year to 31 December 2021, the PIK notes accrued interest of \$21,401,000 (year ended 31 December 2020: \$17,664,000) and the class 1 loan notes accrued interest of \$552,000 (2020: \$429,000). At 31 December 2021, the total amount due to PIK holders was \$228,022,000 (2020: \$206,621,000) and to class 1 loan note holders was \$5,484,000 (2020: \$4,932,000).

During the year ended 31 December 2021, issue costs of \$130,000 (2020: \$36,000) were amortised and at the 31 December 2021 \$367,000 remains unamortised (2020: \$497,000).

Notes to the financial statements (continued)

12 Called up share capital

	2021	2020
	\$'000	\$'000
Allotted and fully paid		
Equity:		
1,220,206 (2020: 1,220,206) A ordinary shares of US\$0.00001	-	-

13 Related parties

Group receivables and payables are as follows:

	Receivables outstanding 2021 \$'000	Payables outstanding 2021 \$'000	Receivables outstanding 2020 \$'000	Payables outstanding 2020 \$'000
Entities with common control	-	(3,637)	-	(3,637)
Subsidiaries	154,812	(67)	154,714	(67)
Related undertakings	-	(306)	-	(172)
	154,812	(4,010)	154,714	(3,876)

The following directors/shareholders of Go City Holdings Limited held loan notes at 31 December 2021:

	Coupon rate	Class of loan note	Subscription value \$'000	Amount outstanding including accrued interest 2021 \$'000	Amount outstanding including accrued interest 2020 \$'000
Name of loan note holder			\$'000	\$'000	\$'000
N F Doe (Director)	10%	Class 1	176	280	254
N F Doe (Director)	0%	Class 1	9	9	9
J W Owen (Director)	10%	Class 1	69	112	101
Exponent Private Equity Co-Investment Gp LLP (see note 14)	10%	Investor	91,090	140,299	127,104*
Big Bus Tours Group Holdings Limited (under common control)	10%	Investor	21,644	33,419	30,277

* In the prior year financial statements, the value of the loan notes plus accrued interest owed to Exponent Private Equity Co-Investment Gp LLP at 31 December 2020 excluded the accrued interest on the loan notes purchased in 2020. The comparative has therefore been adjusted in the table above from \$116,032,000 to \$127,104,000.

During the year, the Company was charged monitoring fees, directors' fees and arrangement fees totalling \$137,000 (year ended 31 December 2020: \$134,000) by Exponent Private Equity Co-Investment Gp LLP of which \$306,000 (2020: \$172,000) was included in accruals at the year end.

14 Ultimate parent company and controlling party

Eden Midco 1 Limited is a wholly-owned subsidiary of Go City Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Go City Holdings Limited. The group financial statements of Go City Holdings Limited can be obtained from 25 Soho Square, London, W1D 3QR.

Go City Holdings Limited is controlled by funds managed by Exponent Private Equity (Holdings) LLP, an investment management firm, by virtue of their majority shareholding in Go City Holdings Limited held through Exponent Private Equity Co Investment Gp LLP.