

# **Holiday Lettings (Holdings) Limited**

## **Annual Report and Financial Statements**

**31 December 2018**



## **Holiday Lettings (Holdings) Limited**

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## **Holiday Lettings (Holdings) Limited**

### **COMPANY INFORMATION**

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#### **Directors**

S Kalvert  
Dermot Halpin

#### **Secretary**

Kemp Little LLP

#### **Auditor**

KPMG LLP  
*Chartered Accountants*  
Arlington Business Park  
Theale  
Reading RG7 4SD

#### **Registered Office**

7 Soho Square  
London W1D 3QB

## Holiday Lettings (Holdings) Limited

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **Introduction**

Holiday Lettings Holdings Limited is wholly owned by TripAdvisor Limited and its ultimate parent company is TripAdvisor, Inc. ("TripAdvisor") (Note 11). The principal activity of the company in the year under review was that of a parent undertaking.

#### **Business Review**

The company is a Holding Company and does not generate revenue income.

Losses in the year are primarily interest on intra group loans. Funding is available through an intra-group loan agreement with Holiday Lettings Limited, the company's sole subsidiary.

#### **Principal risks and uncertainties**

The risks and uncertainties of the Company are integrated with the risks of the group and are not managed separately.

This report was approved by the board and signed on its behalf on 20 Sept 2019



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S Kalvert

Director

## **Holiday Lettings (Holdings) Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

Registered number 06711315

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The directors present their report and financial statements for the year ended 31 December 2018.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under Company law the directors must not approve the financial statements unless 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the year after taxation amounted to £43,000 (2017 – loss of £38,000). The directors do not recommend a final dividend (2017 – £nil).

## **Holiday Lettings (Holdings) Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

Registered number 06711315

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#### **Going concern**

The company has nil cash balances. As set out in note 8, the company entered into an intra-group loan agreement in March 2009 with its subsidiary Holiday Lettings Limited. The company's subsidiary is in a strong cash position and there is a reasonable expectation that in the long term, the company will receive dividend income, which will enable it to commence repayment of the loan.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the directors' report and financial statements.

#### **Future developments**

The company makes operating losses mainly due to the interest payable on a loan agreement with its subsidiary Holiday Lettings Limited. This places the company in a net current liabilities position, but with a net asset position due to the investment in the subsidiary, that is generating strong cash flows. The company's forecasts and projections, taking account of potential changes in trading performance, show that the company's trading pattern should continue as stated above.

#### **Directors**

The directors who served the company during the year were as follows:

S Kalvert  
Dermot Haplin

#### **Qualifying third party indemnity provisions**

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Acts 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

#### **Disclosure of information to the auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Holiday Lettings (Holdings) Limited**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

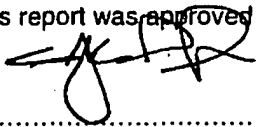
Registered number 06711315

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**Auditor**

The auditor, KPMG LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



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**S Kalvert**

Director

Date: 26/9/2019

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLIDAY LETTINGS (HOLDINGS) LIMITED

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We have audited the financial statements of Holiday Lettings (Holdings) Limited ("the company") for the year ended 31 December 2018 which comprise the profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLIDAY LETTINGS (HOLDINGS) LIMITED

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### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the 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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Russell (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

Date:

30<sup>th</sup> September 2019

## Holiday Lettings (Holdings) Limited

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

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	Notes	2018 £000	2017 £000
Administrative expenses		-	-
<b>Operating loss</b>		-	-
Interest payable and similar expenses	5	(43)	(38)
<b>Loss before taxation</b>		(43)	(38)
Tax on loss	6	-	-
<b>Loss for the financial year</b>		(43)	(38)

All amounts relate to continuing activities.

There were no recognised gains or losses for 2018 or 2017 other than those included in the profit and loss account.

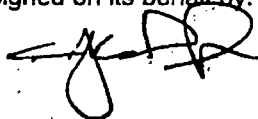
The notes on pages 11 to 16 form part of these financial statements.

# Holiday Lettings (Holdings) Limited

## BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £000	2017 £000
<b>Fixed assets</b>			
Investments	7	35,702	35,702
<b>Current assets</b>			
Cash at bank and in hand		-	-
<b>Creditors: amounts falling due within one year</b>	8	(3,889)	(3,846)
<b>Net current liabilities</b>		(3,889)	(3,846)
<b>Total assets less current liabilities</b>		31,813	31,856
<b>Net assets</b>		31,813	31,856
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Capital contribution		17,302	17,302
Profit and loss account		14,511	14,554
<b>Shareholders' funds</b>		31,813	31,856

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



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S Kalvert  
Director

Date: 26/9/2019

The notes on pages 11 to 16 form part of these financial statements.

**Holiday Lettings (Holdings) Limited**

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018**

	Share capital	Capital contribution	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2017	–	17,302	14,592	31,894
Loss for the year	–	–	(38)	(38)
At 31 December 2017	–	17,302	14,554	31,856

	Share capital	Capital contribution	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2018	–	17,302	14,554	31,856
Loss for the year	–	–	(43)	(43)
At 31 December 2018	–	17,302	14,511	31,813

The notes on pages 11 to 16 form part of these financial statements.

## **Holiday Lettings (Holdings) Limited**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1. Accounting policies**

##### ***1.1 Basis of preparation***

The financial statements have been prepared under the historical cost convention on a going concern basis, and in accordance with Financial Reporting Standard 102, the Financial Reporting standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2)

The following principal accounting policies have been applied:

##### ***1.2 Group Accounts***

The company has taken advantage of the exemption from presenting group accounts under s401 Companies Act 2006, on the grounds that it is a wholly owned subsidiary of TripAdvisor, Inc. a company incorporated in the United States of America, and which prepares consolidated financial statements which include the results and transactions of Holiday Lettings Holdings Limited.

##### ***1.3 Going concern***

The company is a holding company which holds a 100% investment in the trading company Holiday Lettings Limited. A loan agreement with its subsidiary places the company in a net current liabilities position as at 31 December 2018 and a net asset position due to the value of the investment in the subsidiary. The trading company is generating strong cash flows and there is a reasonable expectation that the company has adequate support to continue in operational existence for the foreseeable future.

##### ***1.4 Country of Incorporation***

The country of incorporation for Holiday Lettings Holdings Limited is England and Wales.

##### ***1.5 Functional and presentation currency***

The company's functional and presentational currency is GBP.

##### ***1.6 Investments***

Investments held as fixed assets are shown at cost less provision for impairment.

Investments are assessed for possible impairment when there is an indication that the fair value of the investment may be below the company's carrying value. When such a condition is deemed to be other than temporary, the carrying value of the investment is written down to its fair value and the amount written off is included in net income. In making the determination as to whether a decline is other than temporary, the company considers such factors as the duration and extent of the decline, the investee's financial performance and the company's ability and intention to retain its investment for a period that will be sufficient to allow for any anticipated recovery in the investment's market value.

## Holiday Lettings (Holdings) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies (continued)

##### *1.7 Financial reporting standard 102 – reduced disclosure exemptions*

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TripAdvisor, Inc. as at 31 December 2018 and these financial statements may be obtained from [www.tripadvisor.com](http://www.tripadvisor.com).

##### *1.8 Current taxation*

The tax expense for the year comprises current tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

##### **Impairment**

The Directors have considered the valuation of investments in subsidiary undertakings. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Directors have concluded that the valuation of assets as at the year-end are appropriate.

## Holiday Lettings (Holdings) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 3. Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements.	6	6

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In relation to the audit of the 2018 Financial Statements, the fees payable (£6,000) to the company's auditor was met by Holiday Lettings Limited.

#### 4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2017 – £nil).

The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2018 (2017 - £nil).

#### 5. Interest payable and similar charges

	2018 £000	2017 £000
On loans from group undertakings	43	38

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# Holiday Lettings (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 6. Tax

Tax on loss on ordinary activities

The tax charge is made up as follows:

	2018	2017
	£000	£000

**Current tax:**

UK corporation tax on the loss for the year

Tax on loss on ordinary activities

-	-
-	-

Factors affecting tax charge for the year

	2018	2017
	£000	£000
Loss on ordinary activities before tax	(43)	(38)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	(8)	(7)
Group relief surrendered for nil payment	8	7
Tax for the year	-	-

Factors that may affect future tax charges

The reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. The current tax rate used in the year ended 31 December 2018 is therefore 19% and the rate used for closing deferred tax balances is 17%.



## Holiday Lettings (Holdings) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7. Investments

Cost and net book value

Subsidiary  
Undertakings

£000

As at 1 January 2018

35,702

As at 31 December 2018

35,702

#### Subsidiary undertaking

Name

Class of shares  
Ordinary

Holding  
100%

Holiday Lettings Limited  
7 Soho Square, London W1D 3QB

£000

Aggregate amount of capital and reserves

14,926

Profit for the year

894

#### 8. Creditors: amounts falling due within one year

2018      2017  
£000      £000

Amounts owed to subsidiary undertaking

3,889      3,846

3,889      3,846

On 9 March 2009 the company entered into a loan agreement with its subsidiary Holiday Lettings Limited of up to £20,000,000. At the balance sheet date £3,875,000 (2017 - £3,832,000) was drawn down comprising a capital amount of £3,524,000 (2017 - £3,524,000) and accrued interest of £351,000 (2017 - £308,000). The loan is repayable on demand and interest is calculated quarterly at the Bank of England Base rate plus 50 basis points. The interest can either be settled in cash or capitalised to the loan account thereby increasing the outstanding loan balance.

## Holiday Lettings (Holdings) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 9. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2018</i>	<i>No.</i>	<i>2017</i>
		<i>£</i>		<i>£</i>
Ordinary 'A' shares of £0.00002 each	66,670	1	66,670	1
Ordinary 'B' shares of £0.00002 each	33,330	1	33,330	1
		<u>2</u>		<u>2</u>

Significant differences in the rights attached to "A" and "B" shareholders are outlined below:

- any transfer of shares will not be registered without the written consent of the "A" shareholders;
- the compulsory transfer of "B" shares is triggered when a "B" shareholder ceases to be an employee or director of the company;
- the holders of "A" shares voting at any meeting shall be entitled to exercise 75% of the votes exercisable at any meeting of the company;
- dividends are payable only with the consent of the "A" shareholders;
- "A" shareholders are required to approve all Directors' gratuities and pensions;
- "A" shareholders are required to appoint the Chairman of the Board who will also be an "A" shareholder;
- the holders of the majority in nominal value of the "A" shares from time to time may appoint any persons as directors of the company provided that no more than three "A" directors hold office at any one time; and
- provided that "B" shareholders hold an aggregate of 10% or more of the entire issued share capital of the company, the holders of the majority in nominal value of the "B" shares from time to time may appoint any person to be a director of the company.

#### 10. Related party transactions

The company is a wholly owned subsidiary undertaking of TripAdvisor Inc. The company has taken advantage of the exemption in FRS 102 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

#### 11. Ultimate parent undertaking and controlling party

The company's ultimate parent company is TripAdvisor, Inc., at 400 1st Avenue, Needham, MA 02494, a company incorporated in the United States of America and listed on the NASDAQ stock exchange under the symbol "TRIP." The smallest and the largest group in which the company is consolidated is that headed by TripAdvisor, Inc. The consolidated financial statements of this company are available to the public and may be obtained from [www.tripadvisor.com](http://www.tripadvisor.com)